

# INDEX OF FORMS, TABLES AND RATE HISTORY

## TRS FORMS:

## SAMPLES FOUND IN:

<i>Record For Membership Form</i> .....	Section 3
<i>Beneficiary Designation Form</i> .....	Section 3
<i>Beneficiary Designation – Attachment Form</i> .....	Section 3
<i>New TRS Member Questionnaire</i> .....	Section 3
<i>Substitute Teacher or Part-Time Teacher’s Aide Membership Election Form</i> .....	Section 3
<i>Change of Home Mailing Address</i> .....	Section 3
<i>Employer Internet Reporting Sign-Up Form</i> .....	Section 4
<i>Verification of Substitute Teaching or Teacher’s Aide Service</i> .....	Section 5
<i>Model Resolution</i> .....	Section 5
<i>Service Purchase - Irrevocable Election Form</i> .....	Section 5
<i>Termination Pay - Irrevocable Election Form</i> .....	Section 6
<i>Termination Pay Form</i> .....	Section 6
<i>Request for an Estimate of Benefits</i> .....	Section 7
<i>Deceased Active Member Check List</i> .....	Section 7
<i>Authorization for Deduction of Health Insurance</i> .....	Section 8
<i>Application for Withdrawal of Member’s Deposits of Contributions and Interest</i> .....	Section 9
<i>Special Tax Notice Regarding Plan Withdrawals</i> .....	Section 9

## TABLES:

<i>Termination Pay Contribution Rates</i> .....	Section 6
---	-----------

## RATE HISTORY:

<i>Employee Contribution Rate History</i> .....	Section 1
<i>Employer Contribution Rate History</i> .....	Section 1
<i>Member’s Account Interest Rate History</i> .....	Section 1

# MONTANA TEACHERS' RETIREMENT SYSTEM

## EMPLOYERS' MANUAL

### INDEX OF UPDATES

TO: School Clerks and Business Officials

FROM: Montana Teachers' Retirement System (TRS)

DATE: January 24, 2005

SUBJECT: TRS Employers' Manual Updates

The following replacement pages for the Montana Teachers' Retirement System Employers' Manual listed in **bold** type may be downloaded and printed from the TRS website at <http://www.trs.mt.gov>. Please retain the 'Index of Updates' in the introduction section of the manual.

<u>SECTION (S)</u> <u>&amp; PAGE (P) #</u>	<u>DATE</u> <u>REVISED</u>	<u>SUBJECT</u>
Intro. i	11/2002	Introduction and Disclaimer
<b>Intro. ii</b>	<b>10/2004</b>	<b>Index of Forms, Tables and Rate History</b>
<b>Intro. iii</b>	<b>10/2004</b>	<b>Index of Updates</b>
<b>Intro. iv</b>	<b>10/2004</b>	<b>Index of Updates, Cont.</b>
<b>Intro. v</b>	<b>10/2004</b>	<b>Index of Updates, Cont.</b>
S1 P1	11/2002	General Information Contents
S1 P2	11/2002	TRS Mission Statement, Internet Access to the TRS, Summary of Information Handbook, Updating TRS Reporting Contact Information, TRS Employer Number, Future Updates to the Employers' Manual
<b>S1 P3</b>	<b>10/2004</b>	<b>Contacting the TRS Office</b>
S1 P4	11/2002	Definitions
<b>S1 P5</b>	<b>10/2004</b>	<b>Reportable Earned Compensation, Sabbatical Leave</b>
<b>S1 P6</b>	<b>10/2004</b>	<b>Rate History</b>
S2 P1	11/2002	Employer Responsibilities Contents
S2 P2	06/2003	Responsibilities as prescribed by 19-20-208 MCA
S2 P3	11/2002	Responsibilities as required by the TRS Board
S3 P1	11/2002	TRS Membership Contents
<b>S3 P2</b>	<b>10/2004</b>	<b>Membership Eligibility, TIAA-CREF Members, MT TRS Statement of Account</b>
<b>S3 P3</b>	<b>10/2004</b>	<b>Record for Membership Form</b>
<b>S3 P4</b>	<b>10/2004</b>	<b>Sample Record for Membership Form</b>
<b>S3 P5</b>	<b>10/2004</b>	<b>Beneficiary Designation Form</b>
<b>S3 P6</b>	<b>10/2004</b>	<b>Sample Beneficiary Designation Form</b>
<b>S3 P7</b>	<b>10/2004</b>	<b>Sample Beneficiary Designation Form Continued</b>
<b>S3 P8</b>	<b>10/2004</b>	<b>Sample Beneficiary Designation – Attachment Form</b>
<b>S3 P9</b>	<b>10/2004</b>	<b>New TRS Member Questionnaire</b>
<b>S3 P10</b>	<b>10/2004</b>	<b>Sample New TRS Member Questionnaire</b>
S3 P11	11/2002	Membership of Full-time Employees, Membership of Part-time Employees, Membership of Substitute Teachers and Part-time Teacher's Aides
<b>S3 P12</b>	<b>10/2004</b>	<b>Sample Substitute Teacher or Part-time Teachers' Aide</b>
<b>S3 P13</b>	<b>10/2004</b>	<b>Membership Election Form</b>
<b>S3 P14</b>	<b>10/2004</b>	<b>Change of Home Mailing Address</b>
<b>S3 P14</b>	<b>10/2004</b>	<b>Sample Change of Home Mailing Address Form</b>

## INDEX OF UPDATES, Cont.

<u>SECTION &amp; PAGE #</u>	<u>DATE REVISED</u>	<u>SUBJECT</u>
S4 P1	11/2002	Reporting Procedures Contents
S4 P2	11/2002	Reporting Requirements, Reporting Contributions
<b>S4 P3</b>	<b>10/2004</b>	<b>Member Service Credit, TIAA-CREF Members, Overages and Shortages, Methods of Reporting</b>
S4(a) P1	11/2002	Monthly Earnings and Contribution Reporting Via Turnaround Billing Report (TBR) Contents
S4(a) P2	11/2002	Monthly Earnings and Contribution Reporting TBR
S4(a) P3	11/2002	Summary Sheet TBR
S4(a) P4	11/2002	Summary Sheet - Key
S4(a) P5	11/2002	Regular Contributions Detail Sheet TBR
<b>S4(a) P6</b>	<b>10/2004</b>	<b>Regular Contributions Detail Sheet - Key</b>
S4(a) P7	11/2002	New Member Page TBR
S4(a) P8	11/2002	Report of Retired Members Working on a Part-time or Substitute Basis TBR
S4(b) P1	11/2002	Monthly Earnings and Contribution Reporting Via Diskette Contents
S4(b) P2	11/2002	Diskette Reporting Instructions
<b>S4(c) P1</b>	<b>08/2004</b>	<b>Monthly Earnings and Contribution Reporting Via TRS Web Contents</b>
<b>S4(c) P2</b>	<b>08/2004</b>	<b>Contents, Cont.</b>
<b>S4(c) P3</b>	<b>08/2004</b>	<b>MOTRS Submission, TRS On-line Earnings and Contribution Reporting System</b>
<b>S4(c) P4</b>	<b>08/2004</b>	<b>Employer Internet Reporting Sign-up Form</b>
<b>S4(c) P5</b>	<b>08/2004</b>	<b>TRS Web Site Home Page Screen</b>
<b>S4(c) P6</b>	<b>08/2004</b>	<b>TRS Web Site Employers</b>
<b>S4(c) P7</b>	<b>08/2004</b>	<b>On-Line Web Reporting</b>
S4(c) P8	11/2002	Login Screen
S4(c) P9	11/2002	TRS On-Line Main Screen
S4(c) P10	11/2002	TRS On-Line Menu Options
S4(c) P11	11/2002	Loading Info. to the TRS On-Line System, Upload File to the TRS
S4(c) P12	11/2002	Upload File to the TRS, Cont.
S4(c) P13	11/2002	File Upload Screen (Sample)
S4(c) P14	11/2002	Upload Confirmation Screen
S4(c) P15	11/2002	Contribution Edit Listing
S4(c) P16	11/2002	Messages Screen (Sample)
S4(c) P17	11/2002	Contribution Messages Screen (Sample)
S4(C) P18	11/2002	CORRECTING ERRORS
S4(c) P19	11/2002	Contribution Edit Listing Contribution Summary
<b>S4(c) P20</b>	<b>08/2004</b>	<b>Contribution Edit Listing - Contribution Summary, Cont.</b>
<b>S4(c) P21</b>	<b>08/2004</b>	<b>Monthly Reporting Requirements Key for the 'Contributions Summary' Screen</b>
S4(c) P22	11/2002	Copy From Previous – Create and Modify Report Period (Sample)
S4(c) P23	11/2002	Copy From Previous – Create and Modify Report Period, Cont.
		Contribution Summary Screen (Sample)
S4(c) P24	11/2002	Create New Report Period or Adjustment
S4(c) P25	11/2002	Create New Report Period or Adjustment, Cont.
<b>S4(c) P26</b>	<b>08/2004</b>	<b>Monthly Reporting Requirements Key for the 'All Contributions' Detail Screen</b>
S4(c) P27	11/2002	Contribution Summary Screen (Sample)
S4(c) P28	11/2002	Termination Pay Calculator
S4(C) P29	11/2002	Contact & Browser Information, Change Contact Information

## INDEX OF UPDATES, Cont.

SECTION & PAGE #		DATE REVISED	SUBJECT
S5	P1	11/2002	Purchasing Additional Service Contents
S5	P2	11/2002	Veterans Called to Active Duty, Verification of Substitute Teaching or Teachers' Aide Service
<b>S5</b>	<b>P3</b>	<b>10/2004</b>	<b>Sample Verification of Substitute Teaching or Teachers' Aide Service</b>
<b>S5</b>	<b>P4</b>	<b>10/2004</b>	<b>Model Resolution</b>
S5	P5	11/2002	Sample Model Resolution
S5	P6	11/2002	Sample Model Resolution, Cont.
S5	P7	11/2002	Purchase of Additional Service with Taxed Dollars, Reporting Additional Contributions – with Taxed Dollars
S5	P8	11/2002	Purchase of Additional Service with Taxed-Deferred Dollars, Reporting Additional Contributions – with Taxed-Deferred Dollars
<b>S5</b>	<b>P9</b>	<b>10/2004</b>	<b>Sample Service Purchase – Irrevocable Election Form</b>
<b>S5</b>	<b>P10</b>	<b>10/2004</b>	<b>Sample Service Purchase – Irrevocable Election Form, Cont.</b>
S6	P1	11/2002	Termination Pay Contents
S6	P2	11/2002	Reportable Termination Pay, Termination Pay Options
S6	P3	11/2002	Excess Earnings
<b>S6</b>	<b>P4</b>	<b>10/2004</b>	<b>Bonuses and Incentives, Termination Pay - Irrevocable Election Form</b>
<b>S6</b>	<b>P5</b>	<b>10/2004</b>	<b>Sample Termination Pay - Irrevocable Election Form</b>
<b>S6</b>	<b>P6</b>	<b>10/2004</b>	<b>Sample Termination Pay - Irrevocable Election Form</b>
<b>S6</b>	<b>P7</b>	<b>10/2004</b>	<b>Calculation of Termination Pay Contributions</b>
S6	P8	11/2002	Termination Pay Contribution Rates
S6	P9	11/2002	Termination Pay Form Instructions
S6	P10	11/2002	Termination Pay Form Instructions, Cont.
<b>S6</b>	<b>P11</b>	<b>10/2004</b>	<b>Sample Termination Pay Form Option 1</b>
<b>S6</b>	<b>P12</b>	<b>10/2004</b>	<b>Sample Termination Pay Form Option 2</b>
S6	P13	11/2002	Reporting Termination Pay Contributions
S7	P1	11/2002	Pre-Retirement Planning Contents
<b>S7</b>	<b>P2</b>	<b>10/2004</b>	<b>Retirement Date, Retirement Benefits</b>
<b>S7</b>	<b>P3</b>	<b>10/2004</b>	<b>Sample Request for an Estimate of Retirement Benefits</b>
<b>S7</b>	<b>P4</b>	<b>10/2004</b>	<b>Disability Retirement Benefits, Death of an Active Member</b>
<b>S7</b>	<b>P5</b>	<b>11/2002</b>	<b>Sample Deceased Active Member Check List</b>
S8	P1	06/2003	Retiree/Beneficiary Information Contents
<b>S8</b>	<b>P2</b>	<b>10/2004</b>	<b>Internet Access to the TRS, Part-time Employment after Retirement Earnings, Median AFC History, Earnings after Disability Retirement</b>
S8	P3	11/2002	Reportable Earned Compensation for Working Retirees, Independent Contractors, Exemption from Legal Process
<b>S8</b>	<b>P4</b>	<b>10/2004</b>	<b>Withholding Group Insurance Premiums from Retirement Benefits</b>
<b>S8</b>	<b>P5</b>	<b>10/2004</b>	<b>Sample Authorization for Deduction of Health Insurance</b>
<b>S9</b>	<b>P1</b>	<b>10/2004</b>	<b>Employer Refunds/Member Withdrawals Contents</b>
S9	P2	11/2002	Overpayments Refunded by the TRS to an Employer, Overpayments Refunded by the TRS to a Member
S9	P3	11/2002	A TRS Member Withdrawal
<b>S9</b>	<b>P4</b>	<b>10/2004</b>	<b>Sample Application For Withdrawal of Member Contributions and Interest</b>
<b>S9</b>	<b>P5</b>	<b>10/2004</b>	<b>Sample Application For Withdrawal of Member Contributions and Interest Cont</b>
<b>S9</b>	<b>P6</b>	<b>10/2004</b>	<b>Sample Application For Withdrawal of Member Contributions and Interest Cont.</b>
<b>S9</b>	<b>P7</b>	<b>10/2004</b>	<b>Sample Application For Withdrawal of Member Contributions and Interest Cont.</b>
<b>S9</b>	<b>P8</b>	<b>10/2004</b>	<b>Special Tax Notice Regarding Plan Withdrawals</b>
<b>S9</b>	<b>P9</b>	<b>10/2004</b>	<b>Special Tax Notice Regarding Plan Withdrawals Cont.</b>
<b>S9</b>	<b>P10</b>	<b>10/2004</b>	<b>Special Tax Notice Regarding Plan Withdrawals Cont.</b>
<b>S9</b>	<b>P11</b>	<b>10/2004</b>	<b>Special Tax Notice Regarding Plan Withdrawals Cont.</b>
<b>S9</b>	<b>P12</b>	<b>10/2004</b>	<b>Special Tax Notice Regarding Plan Withdrawals Cont.</b>

## CONTACTING THE TRS OFFICE

The TRS office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, with a limited staff working from 12:00 p.m. to 1:00 p.m. The functions handled by each section and the telephone number for the appropriate TRS staff members are listed below.

### **Active Member Section - Telephone Number: (406) 444-3324 or (406) 444-4113**

Member's Statement of Account Questions	Purchase of Service/Roll-Over
Redeposit of Withdrawn Montana Service	Service Credit and Vesting
Account Balance Information	Transfer of Service between the TRS and the PERS
Estimate of Benefits	Retirement Benefit Options
Retirement Planning Questions	Retirement Application Materials
Legislative Updates	<u>Summary of Information Handbook</u>
Beneficiary Designation	Name Change
Family Law Order /Divorce	Eligibility for Membership
Service Purchase - Irrevocable Election Form	Termination Pay - Irrevocable Election Form

### **Retired Member Section - Telephone Number: (406) 444-3185 or (406) 444-3135**

Beneficiary Designation Updates for Retirees	Guaranteed Annual Benefit Adjustment (GABA)
Survivor Benefits and Minor Child Benefits	Tax Excludable Information
Federal Income Tax Withholding (FIT)	1099-R for Retirees/Beneficiaries
Montana State Income Tax Withholding (SIT)	Group Health Insurance Premium Withholding
Change of Beneficiary Due to Death or Divorce	Name Changes for Retirees/Beneficiaries
Address Changes for Retirees/Beneficiaries	Post-Retirement Earnings Limitations
Return to Full-Time Teaching Questions	Direct Deposit Bank Setup/Changes
New Legislation Affecting Retired Members	Family Law Order/Divorce

### **Refund Section - Telephone Number: (406) 444-3454 or (406) 444-3679**

Refund of Member Accounts	1099-R for Lump Sum Distributions
Member Account Balance Roll-Over	Federal Income Tax Withholding
Refund to Employers	Tax Excludable Information

### **Membership - Telephone Number: (406) 444-2540 or (406) 444-3679**

Record for Membership Form	New Member Packet
Change of Address	Name Changes

### **Contribution Reporting - Telephone Number: (406) 444-3323 or (406) 444-3679**

Monthly Reporting Questions	Overage/Shortage Questions
Contribution Reporting Deadlines	

### **Information Technology - Telephone Number: (406) 444-3395 or (406) 444-9293**

Web Reporting Sign-up	On-Line Internet Reporting
Web Site Information	Web Address: <a href="http://www.trs.mt.gov">http://www.trs.mt.gov</a>

## REPORTABLE EARNED COMPENSATION

Reportable earned compensation represents an employee's base contract and any additional compensation for instructional duties, to include, summer teaching contracts/summer school, coaching, and drivers' education. Earnings that are not reportable to the TRS include bus driving, custodian, ticket taking, hall monitoring, food services/cafeteria, play ground aide, or any information technology position.

Adding an employer-paid or non-cash benefit to an employee's contract or subtracting the same or like amount as a pre-tax deduction is considered a fringe benefit and not earned compensation. Employer benefits **not** reportable to the TRS include:

1. Employer premium payments on behalf of members for health or dependent care expense accounts or any employer contribution for health, medical, pharmaceutical, disability, life, vision, dental, or any other insurance.
2. Any employer payment or reimbursement for professional membership dues, maintenance, housing, day care, automobile, travel, lodging, entertaining expenses, or any similar payment for any form of maintenance, allowance, or expenses.
3. The imputed value of health, life, or disability insurance.
4. Any non-cash benefit provided by an employer to or on behalf of an employee.
5. Any lump-sum payment of unused, accumulated sick or annual leave, excess leave balance payments, any early retirement incentive severance payment, or one-time incentives or bonuses.

If the amounts identified in 1 through 5, above, have been converted and continuously reported as earned compensation for all employees of the employer, in like amounts, for at least the five fiscal years preceding the member's retirement, the amounts may be included in the calculation of the average final compensation (AFC). If these amounts have been reported as earned compensation for fewer than five fiscal years or if the member has been given the option to have the amounts reported as earned compensation, any amounts reported in the three year period that constitute AFC must be included as if the payments were termination pay under Option 2.

The employer must certify to the TRS, for each retiring member, the amounts converted to earned compensation and reported to the TRS in each of the five years that will precede a member's retirement.

## SABBATICAL LEAVE

If a TRS member applies for and is granted a sabbatical leave, a copy of the sabbatical agreement must be provided to the TRS in the fiscal year in which the sabbatical occurs.

A TRS member who has been granted a sabbatical leave, providing a percentage of their base contract be paid, will be credited with a full year of service with the TRS upon their return to their TRS covered employment following the sabbatical leave. The member **must** contact the TRS to request a review of their account. Upon review and determination by the TRS that the terms of the sabbatical leave have been satisfied, the member's account will be adjusted to reflect the corrected service credit for the fiscal year affected by the sabbatical leave.

## RATE HISTORY

### EMPLOYEE CONTRIBUTION RATE HISTORY

FISCAL YEAR	CONTRIBUTION RATE
07/01/36 - 06/30/73	5.000%
07/01/73 - 06/30/75	5.125%
07/01/75 - 06/30/77	6.125%
07/01/77 - 06/30/83	6.187%
07/01/83 - 06/30/99	7.044%
07/01/99 – Present	7.150%

### EMPLOYER CONTRIBUTION RATE HISTORY

FISCAL YEAR	CONTRIBUTION RATE
07/01/37 - 06/30/45	NONE
07/01/45 - 06/30/59	3.750%
07/01/59 - 06/30/69	4.000%
07/01/69 - 06/30/71	4.500%
07/01/71 - 06/30/73	5.125%
07/01/73 - 06/30/75	5.250%
07/01/75 - 06/30/77	6.250%
07/01/77 - 06/30/81	6.312%
07/01/81 - 09/30/81	6.432%
10/01/81 - 06/30/83	6.463%
07/01/83 - 06/30/85	7.320%
07/01/85 - 06/30/89	7.428%
07/01/89 - 12/31/93	7.459%
01/01/94 – Present	7.470%

### MEMBER'S ACCOUNT INTEREST RATE HISTORY

FISCAL YEAR	INTEREST RATE
07/01/37 – 06/30/39	4.00%
07/01/39 – 06/30/43	3.00%
07/01/43 – 06/30/55	2.50%
07/01/55 – 06/30/59	3.00%
07/01/59 – 06/30/63	3.50%
07/01/63 – 06/30/66	4.00%
07/01/66 – 06/30/67	4.25%
07/01/67 – 06/30/68	4.50%
07/01/68 – 06/30/69	4.75%
07/01/69 – 06/30/70	5.00%
07/01/70 – 06/30/71	5.25%
07/01/71 – 06/30/80	5.50%
07/01/80 – 06/30/81	7.00%
07/01/81 – 06/30/87	8.00%
07/01/87 – 06/30/92	7.00%
07/01/92 – 06/30/96	6.00%
07/01/96 – 06/30/02	5.50%
07/01/02 – 06/30/03	4.50%
07/01/03 – Present	4.00%

# **MEMBERSHIP ELIGIBILITY**

Membership applies to all persons employed in an instructional position for at least 210 hours during a school year as a Teacher, Teachers' Aide, Librarian, Physical Education Director, Speech Therapist, School Nurse, School Psychologist, Guidance Counselor, Principal, Vice-Principal; Superintendent, and any other member of the teaching, coaching or professional staff of any public school, elementary school, high school, community college, state agency, or special education cooperative in the State of Montana.

A person elected to the office of County Superintendent of Schools after July 1, 1995 is not eligible for optional membership in the Public Employees Retirement System but may within 30 days of taking office elect to become an active member of the TRS. (Ref: §19-3-412, MCA) The retirement system membership of an elected County Superintendent of Schools as of June 30, 1995, must remain unchanged for as long as the person continues to serve in the capacity of County Superintendent of Schools. TRS retirees, who are elected to the position of County Superintendent after 1995, may choose not to participate in the TRS as an active member and to continue to receive their full retirement benefit.

Membership also applies to any person employed in the office of, or by, the State Superintendent of Public Instruction in a position which has a significant degree of executive or policy-making authority and whose appointment is based on required training or experience in the field of education.

Membership applies to employees of the University System who are eligible to participate in the TRS who were members prior to July 1, 1993, and College of Technology staff who were members prior to July 1, 1995.

Any person hired into the position of school district clerk or business official is not eligible for TRS membership.

The TRS does not require certification as a condition for membership. However, all positions requiring certification as provided under Title 20 are covered under the TRS. Positions of an instructional nature are eligible for membership with the TRS. The TRS Board determines eligibility for membership in the TRS. (Ref: §19-20-205, MCA.) Please call or write the TRS if you have any questions regarding TRS membership.

## **TIAA-CREF MEMBERS**

The Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), is an optional retirement plan available only to employees of the University System who are eligible to participate in the TRS. An eligible person hired on or after July 1, 1993, must become a member of the optional retirement plan unless the person is, on the date hired, an active, inactive, or retired member of the TRS. An individual cannot be in receipt of a TRS monthly benefit and be a member of TIAA-CREF, or their TRS benefit will be cancelled. (Refer to Section 8)

## **MONTANA TRS STATEMENT OF ACCOUNT**

The statement of account for all TRS contributing members in your employment will be sent to your business office for distribution. The statement of account is heat-sealed to protect the privacy of the TRS member.

The statement of account for each TRS vested member, no longer employed in a position covered by the TRS, will be mailed directly to the TRS member's home mailing address.



## RECORD FOR MEMBERSHIP FORM

A 'Record For Membership Form' must be completed by all new employees and returned to the TRS with the monthly contribution report on which contributions will first be reported for the new employee. The 'Record For Membership Form' is a legal document that the TRS will use to verify the members' and beneficiary(ies) Social Security Number, for IRS reporting, and other relative information. For all new employees, please verify the Social Security Number with the employees' Social Security card. Before submitting the membership form to the TRS, verify that the 'Record for Membership Form' is properly completed.

The TRS will mail a 'New Employee's Packet' to the current home mailing address of the new employee, which includes the Summary of Information handbook and an introduction to the TRS.

In addition to the 'Record For Membership Form', it is recommended that each new employee complete a 'New TRS Member Questionnaire' which will indicate if the new employee is retired from the Montana TRS and receiving a monthly benefit. A retiree from the Montana TRS is ineligible for full-time employment and you **must** notify the TRS office, advising the TRS that the retiree has signed a contract for full-time employment. The completed questionnaire is to be retained by the employer.

If a member needs to change their legal name, please indicate the name change in the check box provided on a 'Beneficiary Designation Form'. The 'Beneficiary Designation Form' is available at <http://www.trs.mt.gov>. If you have questions or need assistance, please contact the TRS office at (406) 444-2540.

**NOTE: TRS working retirees are not required to submit a 'Record for Membership Form' to the TRS.**



# MONTANA TEACHERS' RETIREMENT SYSTEM

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

## RECORD FOR MEMBERSHIP

(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

**IMPORTANT:** This information must be complete and accurate in every detail. It is a legal document and serves as the basis for all membership privileges and responsibilities. It also provides positive identification for the management of the member's Teachers' Retirement System (TRS) account. Unless a signed release is on file with the TRS, information concerning member accounts will be provided to members only. **Please DO NOT complete this form if you are receiving a monthly benefit from the Montana TRS.**

### SECTION 1: Personal Data (Please DO NOT complete this form if you are a retiree):

Joan P Doe

(Name)

01-01-48

(Date of Birth)

1	1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---	---

(Social Security Number)

1111 S Freedom Way

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

(406) 111-2222

(Area Code & Telephone Number)

F

(Sex M/F)

Smith

(Maiden Name)

### SECTION 2: Employment History

#### Current Employer:

Helena Public Schools

School District, University, or Institution

Helena

City

Lewis & Clark

County

#1

District

2004-05

School Year

#### Prior Service:

Date of last service as a teacher in a public or state supported school in Montana prior to this year: 5-1996

Month/Year

School District or University and county in which last employed: Butte Public Schools, Silver Bow County

Have you ever withdrawn your account balance from the Montana TRS? No

If so, date service was withdrawn: Last name at the time of withdrawal:

Have you ever been employed in Montana by the State, a city, or a county other than as a teacher? YES

Have you ever been employed in a public, state-supported, or private school as a teacher in another state? YES

If so, please list the location(s), date(s), and retirement system(s) to which you were reported:

State of Montana – State Auditor

Location

1996-2003

Dates: From To

PERS

Retirement System

State of Wyoming – Natrona County Public Schools

Location

1972-1996

Dates: From To

WPERS

Retirement System

Location

Dates: From To

Retirement System

Joan P Doe

(Signature)

11-10-04

(Date)

## **BENEFICIARY DESIGNATION FORM**

A 'Beneficiary Designation Form' must be completed by all new employees and returned to the TRS with the monthly contribution report on which contributions will first be reported for the new employee. Beneficiary information is critical in the event of the member's death. The recipient of any survivor benefit will be the designated beneficiary(ies) on file with the TRS. A member may wish to designate two or more persons to share equally as joint primary or joint contingent beneficiaries. Upon the death of a member, each primary beneficiary designated will be entitled to their portion of any survivor benefits payable. In case of the member's death the most recent 'Beneficiary Designation Form' on file with the TRS will determine the designation of beneficiary(ies).

Before submitting the 'Beneficiary Designation Form' to the TRS please verify that the form is properly completed, signed using the same name as listed on the 'Record For Membership Form' and witnessed.

If a member has a change of beneficiary, they must make sure the proper designation is made on a 'Beneficiary Designation Form' provided by the TRS. The 'Beneficiary Designation Form' is available at <http://www.trs.mt.gov> or from the TRS. If a member needs additional space to designate beneficiaries, a 'Beneficiary Designation – Attachment Form' is also available on the TRS website. The current primary beneficiary(ies) is printed each year on the 'Montana TRS Statement of Account'. (Ref: §19-20-1001, MCA.) If a member has questions regarding their beneficiary designation, they should contact the TRS office at (406) 444-2540.



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6<sup>TH</sup> AVE  
PO BOX 200139  
HELENA, MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**BENEFICIARY DESIGNATION FORM  
ACTIVE MEMBERS ONLY  
PLEASE REVIEW INSTRUCTIONS BEFORE COMPLETING**

Please Circle all that apply: New Member Change of Beneficiary Name Change Other \_\_\_\_\_

**Please DO NOT complete this form if you are receiving a monthly benefit from the Montana Teachers' Retirement System (TRS).**

Printed Name (Member)

Jane P. Doe

**Social Security Number**

1	1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---	---

Home Mailing Address

1111 S Freedom Way

Change in Home Mailing Address?

☐

YES

☒

NO

City, State & Zip Code

Helena MT 59601

Area Code & Telephone Number

(406) 111-2222

**BENEFICIARY DESIGNATION INSTRUCTIONS**

You may designate your estate as the beneficiary. However, a lump sum payment of the member's account balance is the only benefit available under this designation.

Primary Beneficiary: The primary beneficiary(ies) is the person(s) who will be eligible to receive a benefit on this account at the time of your death. The benefit available will be determined based on your years of creditable service with the Montana Teachers' Retirement System (TRS). If you wish to designate more than one primary beneficiary, cross out the words "1<sup>st</sup> Contingent," "2<sup>nd</sup> Contingent," etc., connect all names with the word "**and**" (Doe, Jane **and** Doe, John), and provide all necessary information for each beneficiary.

Contingent Beneficiary: Contingent beneficiary(ies) will be eligible to receive a benefit only in the event that all primary beneficiary(ies) precede you in death.

**If your primary beneficiary(ies) does not survive you, the benefit payable will be paid to the 1st contingent beneficiary(ies). You may name as many contingent beneficiaries as you wish. If the person named as a contingent beneficiary has not survived you, a lump sum payment will be made payable to your estate.**

If you would like to list your spouse as your primary beneficiary and your children to share equally if your spouse does not survive you, you should list all the children as 1st contingent beneficiaries with all their names connected with the word "**and**". In this way, each child will receive an equal portion of benefits payable on your account. If you list each child separately as 1st contingent beneficiary, 2nd contingent beneficiary, etc., the 1st contingent will be eligible to receive benefits payable on your account; the 2nd contingent would be paid only if the 1st contingent preceded you in death, and so on.

I hereby nominate and appoint the person(s) or estate named below as the designated beneficiary(ies) of my Montana TRS account. In the event of my death, I authorize and direct the Retirement Board to pay named beneficiary(ies) as designated. I understand the named beneficiary(ies) may be eligible to elect to receive a lump-sum refund of the accumulated account balance or a monthly retirement benefit as provided by §19-20-1001, MCA. If joint beneficiaries are named below to share equally and any should not survive me, I direct the Retirement Board to pay said amount in equal shares to the surviving joint beneficiaries and to pay the total amount to the surviving beneficiary should only one of the joint beneficiaries named survive me. I reserve the right to change my beneficiary(ies) at any time by filing, with the Retirement Board, written notice of such change on the form provided by the Retirement Board for that purpose. I understand that this designation of beneficiary(ies) will be canceled by the withdrawal of my account.

PRIMARY BENEFICIARY			1ST CONTINGENT BENEFICIARY			2ND CONTINGENT BENEFICIARY		
<div> <div>Doe</div> <div>John</div> <div>T</div> </div> <div> <div>Last Name</div> <div>First Name</div> <div>MI</div> </div> <div> <div>500-00-1111</div> <div>Male</div> </div> <div> <div>Social Security Number</div> <div>Male/Female</div> </div> <div> <div>10/05/40</div> <div>Spouse</div> </div> <div> <div>Date of Birth</div> <div>Relationship</div> </div> <div> <div>1111 S Freedom Way</div> <div>.</div> </div> <div> <div>Home Mailing Address</div> </div> <div> <div>Helena</div> <div>MT</div> <div>59601</div> </div> <div> <div>City</div> <div>State</div> <div>Zip Code</div> </div> <div> <div>(406) 111-2222</div> </div> <div> <div>Area Code &amp; Telephone Number</div> </div>			<div> <div></div> <div></div> <div></div> </div> <div> <div>Last Name</div> <div>First Name</div> <div>MI</div> </div> <div> <div>-</div> <div>-</div> </div> <div> <div>Social Security Number</div> <div>Male/Female</div> </div> <div> <div>-</div> <div>-</div> </div> <div> <div>Date of Birth</div> <div>Relationship</div> </div> <div> <div></div> </div> <div> <div>Home Mailing Address</div> </div> <div> <div></div> <div></div> <div></div> </div> <div> <div>City</div> <div>State</div> <div>Zip Code</div> </div> <div> <div>( )</div> </div> <div> <div>Area Code &amp; Telephone Number</div> </div>			<div> <div></div> <div></div> <div></div> </div> <div> <div>Last Name</div> <div>First Name</div> <div>MI</div> </div> <div> <div>-</div> <div>-</div> </div> <div> <div>Social Security Number</div> <div>Male/Female</div> </div> <div> <div>-</div> <div>-</div> </div> <div> <div>Date of Birth</div> <div>Relationship</div> </div> <div> <div></div> </div> <div> <div>Home Mailing Address</div> </div> <div> <div></div> <div></div> <div></div> </div> <div> <div>City</div> <div>State</div> <div>Zip Code</div> </div> <div> <div>( )</div> </div> <div> <div>Area Code &amp; Telephone Number</div> </div>		

3RD CONTINGENT BENEFICIARY			4TH CONTINGENT BENEFICIARY			5TH CONTINGENT BENEFICIARY		
<div>Last NameFirst NameMIDivider</div>			<div>Last NameFirst NameMIDivider</div>			<div>Last NameFirst NameMIDivider</div>		
<div>- - - - -Social Security NumberMale/Female</div>			<div>- - - - -Social Security NumberMale/Female</div>			<div>- - - - -Social Security NumberMale/Female</div>		
<div>- - - - -Date of BirthRelationship</div>			<div>- - - - -Date of BirthRelationship</div>			<div>- - - - -Date of BirthRelationship</div>		
<div>Home Mailing Address</div>			<div>Home Mailing Address</div>			<div>Home Mailing Address</div>		
<div>CityStateZip Code</div>			<div>CityStateZip Code</div>			<div>CityStateZip Code</div>		
<div>( )Area Code &amp; Telephone Number</div>			<div>( )Area Code &amp; Telephone Number</div>			<div>( )Area Code &amp; Telephone Number</div>		

Jan P Doe 11-10-04

(SIGNATURE OF MEMBER - Must reflect your legal name) (DATE)

We, the undersigned, of lawful age, certify that we are acquainted with the member signing this Designation of Beneficiary and that such member has requested us to witness their signature as their free act and deed.

Marion L Jones 11-4-04  
(SIGNATURE OF WITNESS - Must reflect your legal name) (DATE)



# MONTANA TEACHERS' RETIREMENT SYSTEM

1500 E 6<sup>TH</sup> AVE  
PO BOX 200139  
HELENA, MT 59620-0139  
(406) 444-3134

TRS Office Use Only

## BENEFICIARY DESIGNATION ATTACHMENT FORM ACTIVE MEMBERS ONLY

PLEASE REVIEW INSTRUCTIONS ON TRS FORM 123 BEFORE COMPLETING

Printed Name (Member)

Jane P Doe

Social Security No.

1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---

**DESIGNATION OF BENEFICIARY:** Please provide all requested information for each beneficiary. The complete legal name, social security number, date of birth and relationship are required.

6TH CONTINGENT BENEFICIARY	7TH CONTINGENT BENEFICIARY	8TH CONTINGENT BENEFICIARY
<u>Doe-Jones</u> <u>Suzan</u> <u>M</u> Last Name      First Name      MI	<u>Doe</u> <u>Sidney</u> <u>K</u> Last Name      First Name      MI	<u>Doe</u> <u>Sarah</u> <u>C</u> Last Name      First Name      MI
<u>517-00-0006</u> <u>Female</u> Social Security Number      Male/Female	<u>517-01-0007</u> <u>Male</u> Social Security Number      Male/Female	<u>517-00-0206</u> <u>Female</u> Social Security Number      Male/Female
<u>01-14-58</u> <u>Daughter</u> Date of Birth      Relationship	<u>07-1-61</u> <u>Son</u> Date of Birth      Relationship	<u>08-14-63</u> <u>Daughter</u> Date of Birth      Relationship
<u>10 Sunnyside Lane</u> Home Mailing Address	<u>1170 S Tisdale</u> Home Mailing Address	<u>780 Clarke Street</u> Home Mailing Address
<u>Missoula</u> <u>MT 59801</u> City      State      Zip Code	<u>Bozeman</u> <u>MT 59715</u> City      State      Zip Code	<u>Helena</u> <u>MT 59601</u> City      State      Zip Code
<u>(406) 856-1212</u> Area Code & Telephone Number	<u>(406) 586-1212</u> Area Code & Telephone Number	<u>(406) 442-0021</u> Area Code & Telephone Number

I hereby nominate and appoint the person(s) or estate named above as the designated beneficiary(ies) of my Montana TRS account. In the event of my death, I authorize and direct the Retirement Board to pay named beneficiary(ies) as designated. I understand the named beneficiary(ies) may be eligible to elect to receive a lump-sum refund of the accumulated account balance or a monthly retirement benefit as provided by §19-20-1001, MCA. If joint beneficiaries named above are to share equally, and any should not survive me, I direct the Retirement Board to pay said amount in equal shares to the surviving joint beneficiaries and to pay the total amount to the surviving beneficiary should only one of the joint beneficiaries named survive me. I reserve the right to change my beneficiary(ies) at any time by filing, with the Retirement Board, written notice of such change on the form provided by the Retirement Board for that purpose. I understand that this designation of beneficiary(ies) will be canceled by the withdrawal of my account.

Jane P Doe

11-10-04

(SIGNATURE OF MEMBER - Must reflect your legal name)

(DATE)

**WITNESS:** \*Two adults other than the beneficiaries must sign as witnesses to your signature. If this form does not contain the signatures of two witnesses the form is invalid.

We, the undersigned, of lawful age, certify that we are acquainted with the member signing this Designation of Beneficiary Attachment Form and that such member has requested us to witness their signature as their free act and deed.

Harry J Jones

11-4-04

(SIGNATURE OF WITNESS - Must reflect your legal name)

(DATE)

Marion L Jones

11-4-04

(SIGNATURE OF WITNESS - Must reflect your legal name)

(DATE)

## NEW TRS MEMBER QUESTIONNAIRE

Membership in the TRS is compulsory for all public educators, except for persons employed less than 210 hours in any given fiscal year. Each new employee in a TRS covered position should complete a 'New Member Questionnaire'. The completed questionnaire will inform your business office of any previous employment in a position covered under the Montana TRS.

A retired TRS member, receiving a monthly benefit from the Montana TRS, is limited to part-time employment while working in a position that is covered under the TRS. In addition, they are limited in the amount that may be earned and still receive a monthly benefit from the TRS. Your business office must contact the TRS to confirm the maximum amount a TRS retiree may earn. (Refer to Section 8)

The completed 'New Member Questionnaire' **must** be retained by the employer. Do not send the questionnaire form to the TRS office.



# MONTANA TEACHERS' RETIREMENT SYSTEM

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

## NEW MEMBER QUESTIONNAIRE

**Personal Data (Please DO NOT complete this form if you are a retiree):**

1	1	1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---	---	---

Jane P Doe

(Name)

01-01-48

(Date of Birth)

(Social Security Number)

1111 S Freedom Way

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

(406) 111-222

(Area Code & Telephone Number)

F

(Sex M/F)

Smith

(Maiden Name)

Are you receiving a monthly benefit from the Montana Teachers' Retirement System (TRS)?

Yes

No

If you are receiving a monthly benefit from the Montana TRS **DO NOT** complete the remainder of this form. However, you are limited to part-time employment, plus a maximum dollar amount, and still receive your monthly benefit. You and your employer *must* contract the TRS to confirm the maximum dollar amount you may earn and still receive your monthly retirement benefit. This completed form must be returned to the school business office, to be retained by the employer.

Are you currently employed in a position covered by the Montana TRS, with TRS contributions being withheld from your wages?

Yes

No

If YES, please indicate the name of your current employer Helena Public Schools

YES

**NOTE:** If you are a substitute teacher or a part-time teacher's aide and not a member of the TRS, you must also complete a 'Substitute Teacher or Part-Time Teacher's Aide Membership Election Form.'

Membership in the TRS is compulsory for all public educators except for persons teaching less than 210 hours in any given fiscal year. The TRS is a "Defined Benefit Plan" qualified under Internal Revenue Code 401(a). Upon receipt of your completed 'Record For Membership Form' information regarding your retirement system account will be sent from the TRS office to your home mailing address.

If you were previously employed in a position covered under the TRS and withdrew your account, you are eligible to redeposit this service. Please contact the TRS at (406) 444-3134 to request this or any other information regarding the retirement system.

Jane P Doe

11-10-04

(Signature)

(Date)

PLEASE RETURN THE COMPLETED FORM TO THE SCHOOL BUSINESS OFFICE  
THE COMPLETED FORM IS TO BE RETAINED BY THE EMPLOYER





# MONTANA TEACHERS' RETIREMENT SYSTEM

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

## MEMBERSHIP ELECTION SUBSTITUTE TEACHER OR PART-TIME TEACHER'S AIDE

(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

**Personal Data (Please DO NOT complete this form if you are a retiree):**

Joan P Doe 01-01-48 1 1 1 1 1 1 1 1  
(Name) (Date of Birth) (Social Security Number)

1111 S Freedom Way Helena MT 59601  
(Home Mailing Address) (City, State & Zip Code)

(406) 111-2222 Female Smith  
(Area Code & Telephone Number) (Sex M/F) (Maiden Name)

- A substitute teacher or part-time teacher's aide may elect to be a member of the Montana Teachers' Retirement System (TRS) on the first day of employment. Once you elect to become a member you **must** continue to be a member each successive fiscal year while employed as a substitute teacher or a part-time teacher's aide.
- If you do not elect to be a member of the TRS on the first day of employment as a substitute teacher or part-time teacher's aide, you **must** become a member once you have completed 210 hours in any fiscal year. Once you become a member you are required to continue to be a member in each successive fiscal year while employed as a substitute teacher or a part-time teacher's aide, even if you are employed for only one day.

I elect the following option with respect to the possibility of working more than 210 hours in the capacity of a substitute teacher or a part-time teacher's aide. Initial the appropriate box to indicate your selection.

Are you receiving a monthly benefit from the Montana TRS?	YES	NO
If you are receiving a monthly benefit from the Montana TRS <b>DO NOT</b> complete the remainder of this form. However, you are limited to part-time employment, plus a maximum dollar amount, and still receive your monthly benefit. You and your employer <b>must</b> contract the TRS to confirm the maximum dollar amount you may earn and still receive your monthly retirement benefit. This form must be returned to the school business office, to be retained by the employer.	_____	_____
I prefer to have a deduction for the TRS made beginning on the first day of my service as a substitute teacher or a part-time teacher's aide. I have completed the 'Record for Membership Form.'	JPD Initial	
I would prefer that no deductions for the TRS be made from my substitute teacher or part-time teacher's aide pay until I have completed 210 hours of service during the fiscal year.	_____ Initial	

**THIS FORM MUST BE RETURNED TO THE SCHOOL BUSINESS OFFICE, TO BE RETAINED BY THE EMPLOYER**

Joan P Doe

11-10-04

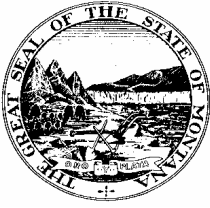
(Signature)

(Date)

PLEASE RETURN THIS COMPLETED FORM TO THE SCHOOL BUSINESS OFFICE  
THE COMPLETED FORM IS TO BE RETAINED BY THE EMPLOYER

## **CHANGE OF HOME MAILING ADDRESS**

Changes to a TRS member's home mailing address must be submitted to the TRS in writing. The 'Change of Home Mailing Address' form is available on the TRS web site at <http://www.trs.mt.gov> or by calling the TRS office.



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**CHANGE OF MAILING ADDRESS**

(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

***The Teachers' Retirement System must be advised of any permanent change in address. Changes must be submitted in writing to the above address and must be signed by the member or benefit recipient.***

**Personal Data**

Joan P Doe

(Name)

01-01-48

(Date of Birth)

1	1	1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---	---	---

(Social Security Number)

**PREVIOUS ADDRESS:**

412 S Rodney

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

**NEW ADDRESS:**

07-15-2004

(Effective Date of Change)

1111 S Freedom Way

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

(406) 111-2222

Area Code & Telephone Number

- NOTE: IF ANYONE OTHER THAN THE MEMBER OR BENEFIT RECIPIENT SIGNS THIS FORM, LEGAL DOCUMENTATION GIVING THEM THE AUTHORITY TO DO SO MUST BE ATTACHED TO THIS FORM.

Joan P Doe

(Signature)

11-10-04

(Date)

Working retirees' earnings must be reported each month for the purpose of tracking the retiree's maximum allowable earnings. TRS contributions must not be withheld. In addition, do not report hours worked or the FTE value. (Refer to Section 8)

### **MEMBER SERVICE CREDIT**

Employment eligible to be qualified under the TRS will be credited with service in the proportion that the actual time worked compares to full-time service, based on a fiscal year beginning July 1st and ending June 30th. One full year (1.00) of service credit will be granted for any employment eligible to be qualified under the TRS, based upon at least nine months or 180 days of full-time employment; or 12 months of full-time employment. A member, who is employed on a .67 FTE contract for the entire fiscal year will be credited with .67 year of service credit. The FTE reported on the monthly report must accurately reflect the employment contract, or contracts.

### **TIAA-CREF MEMBERS**

TIAA-CREF members will have only earnings and employer (no employee) contributions reported to the TRS. Do not report hours worked or the FTE value. The TIAA-CREF contribution rate is 4.04%. (Ref: §19-20-621, MCA.)

### **OVERAGES AND SHORTAGES**

If you do **not** remit the 'Total Due This Report' for the month for which you are reporting, any amount over or short of the "Total Due This Report" becomes classified as an "Overage/Shortage". The TRS staff will prepare and mail an "Overage/Shortage" notification to the respective TRS employer. If an overage occurs, please credit this amount against the amount due on your next report. If your office would like a refund, this request must be made in writing to the TRS.

If a shortage occurs, you may remit a check immediately or include the amount of the shortage with your next monthly report. Please indicate the amount of the shortage on the "Overage/Shortage" line on the "Summary Page".

### **METHODS OF REPORTING**

The employer is required to submit monthly reports by one of three methods:

1. Turnaround Billing Report. No computer access; however, this reporting method is being phased out and will no longer be generally available after July 1, 2004 (Refer to Section 4(a))
2. Disk Submission to the TRS. This reporting method is being phased out and will no longer be generally available after September 1, 2003. (Refer to Section 4(b))
3. TRS On-Line Internet Reporting. (Refer to Section 4(c))

Note: Earnings and contribution information sent via reporting methods 1 and 2, above, are processed by the TRS through TRS On-Line. This makes previous reporting periods available on-line to each employer once they make the migration to TRS On-Line. TRS On-Line is simple to use, safe, more accurate and faster for all users.

The TRS is encouraging employers that are not currently using the 'New TRS On-Line Internet Reporting' to sign up using the 'Employer Internet Reporting Sign-Up Form'. This form is available on the TRS website at <http://www.trs.mt.gov>. Upon receipt of the completed form you will be contacted and informed of your "Username" and "Password". If you have questions or need assistance with the on-line web reporting, please call the TRS at (406) 444-3395 or (406) 444-9293.

## REGULAR CONTRIBUTIONS DETAIL SHEET - KEY

<b>MEMBER SSN</b>	List the members verified Social Security Number. (Verify SSN with the new employees Social Security Card when the 'Record for Membership Form' is completed).
<b>MEMBER NAME, (Last, First)</b>	List the Member's Name (Last, First and Middle Initial). All members should be listed alphabetically.
<b>EARNINGS</b>	Compensation earned in the month being reported. Do not include termination pay (Refer to Section 6), working retiree earnings (Refer to Section 8) or TIAA-CREF earnings. (Refer to Section 3)
<b>CONTRIBUTION</b>	7.15% (Employee contribution rate) times earnings, this is the amount withheld from the member's earnings.
<b>SERVICE (FTE)</b>	List the Full Time Equivalence (FTE) for an employee working under contract. 1.00 equals 140 hours, .75 equals 105 hours, $\frac{3}{4}$ FTE .50 equals 70 hours, $\frac{1}{2}$ FTE
<b>PART HOURS</b>	List the number of hours actually worked for an employee working on an hourly or substitute teaching basis.
<b>ADD'L CONTRIBUTION</b>	List the amount of additional contributions withheld from the member's salary. Do not include termination Pay. (Refer to Section 5)
<b>WK ST (Work Status)</b>	'F' or (blank) - (Full Time Service) – An individual working full time. 'H'-(Hourly) - An individual being paid on an hourly basis. List the number of hours worked under the PART HOURS column. 'P'-(Part-time Service) – An individual working less than 1.00 FTE. List the FTE (i.e. .25, .50, .etc.) worked under the SERVICE (FTE) column. 'W' - Retired Teachers working on a part-time or substitute teacher basis. 'T' - TIAA-CREF- UNIVERSITY SYSTEM ONLY
<b>TR CD (Transaction Code)</b>	Type of transaction 'A' - Add if a new member 'C' - Change in membership 'T' - Terminate a member
<b>TERM PAY CONTRIB</b>	List the amount of the calculated/reportable termination pay <b>contributions</b> withheld from the member's termination pay. (Refer to Section 6)
<b>OPT</b>	List the termination pay option ("1" or "2") as selected by the member. (Refer to Section 6)

**TO PERMANENTLY TERMINATE A MEMBER**, draw a line through the name and amounts only; DO NOT CROSS OUT THE SOCIAL SECURITY NUMBER. Members cannot be removed from the 'Turnaround Billing Report' until there are no more earnings to report. The reason for the termination, if known, should be noted after the individual's name (retirement, resignation, death, etc.) with an effective date.

**TO TEMPORARILY DELETE A MEMBER FROM A REPORT** due to no earnings, draw a line through the amounts only and place 0 in the earnings, FTE or hours column.

**IF AN EMPLOYEE HAS A NAME CHANGE**, draw a line through the old name on the form and print the new name above it, noting "name change" beside it. You must forward to the TRS the new completed 'Beneficiary Designation Form' indicating the name change for the member.

# **SECTION 4(c)** **Monthly Earnings And Contribution Reporting** **Via TRS WEB <http://www.trs.mt.gov>**

## **CONTENTS**

<b>MOTRS SUBMISSION .....</b>	<b>Page 3</b>
<b>TRS ON-LINE EARNINGS AND CONTRIBUTIONS REPORTING SYSTEM .....</b>	<b>Page 3</b>
<b>EMPLOYER INTERNET REPORTING SIGN-UP FORM .....</b>	<b>Page 4</b>
<b>TRS WEB SITE HOME PAGE SCREEN .....</b>	<b>Page 5</b>
<b>TRS WEB SITE EMPLOYERS .....</b>	<b>Page 6</b>
<b>ON-LINE WEB REPORTING .....</b>	<b>Page 7</b>
<b>LOGIN SCREEN .....</b>	<b>Page 8</b>
<b>TRS ON-LINE MAIN SCREEN .....</b>	<b>Page 9</b>
<b>TRS ON-LINE MENU OPTIONS .....</b>	<b>Page 10</b>
<b>LOADING INFORMATION TO THE TRS ON-LINE SYSTEM .....</b>	<b>Page 11</b>
<b>UPLOAD FILE TO THE TRS .....</b>	<b>Page 11</b>
<b>FILE UPLOAD SCREEN (SAMPLE) .....</b>	<b>Page 13</b>
<b>UPLOAD CONFIRMATION SCREEN .....</b>	<b>Page 14</b>
<b>CONTRIBUTION EDIT LISTING .....</b>	<b>Page 15</b>
<b>MESSAGES SCREEN (SAMPLE) .....</b>	<b>Page 16</b>
<b>CONTRIBUTION MESSAGE SCREEN (SAMPLE) .....</b>	<b>Page 17</b>
<b>CORRECTING ERRORS .....</b>	<b>Page 18</b>
<b>CONTRIBUTION EDIT LISTING CONTRIBUTION SUMMARY .....</b>	<b>Page 19</b>
<b>MONTHLY REPORTING REQUIREMENTS KEY FOR THE 'CONTRIBUTIONS SUMMARY' SCREEN .....</b>	<b>Page 21</b>
<b>COPY FROM PREVIOUS CREATE AND MODIFY REPORT PERIOD (SAMPLE) .....</b>	<b>Page 22</b>
<b>CONTRIBUTION SUMMARY SCREEN (SAMPLE) .....</b>	<b>Page 23</b>
<b>CREATE NEW REPORT PERIOD OR ADJUSTMENT .....</b>	<b>Page 24</b>

**CONTENTS, Cont.**

**MONTHLY REPORTING REQUIREMENTS**  
**KEY FOR THE ALL CONTRIBUTIONS DETAIL SCREEN ..... Page 26**

**CONTRIBUTION SUMMARY SCREEN (SAMPLE) ..... Page 27**

**TERMINATION PAY CALCULATOR ..... Page 28**

**CONTACT & BROWSER INFORMATION ..... Page 29**

**CHANGE CONTACT INFORMATION ..... Page 29**

## MOTRS SUBMISSION

The Montana On-Line Teachers Retirement System (MOTRS) is the previous Internet reporting application used by the TRS. This method of reporting is being phased out and will be discontinued effective September 1, 2003. The newest on-line reporting application is referred to as the TRS On-Line Earnings and Contributions Reporting System. The MOTRS data file must be remitted to the TRS using the new TRS On-Line Earnings and Contributions Reporting System. Any new agencies wishing to report electronically must use the new TRS On-Line Earnings and Contributions Reporting System. The following instructions address how to use the new TRS On-Line Earnings and Contributions Reporting System

### TRS ON-LINE EARNINGS AND CONTRIBUTIONS REPORTING SYSTEM

The TRS On-Line Earnings and Contributions Reporting System is designed to allow an agency reporting to the TRS to perform all data integrity, verification, and error checks in submission of monthly employee and employer contributions due the TRS.

The new web reporting system may be accessed by going to the TRS homepage located at the following address: <http://www.trs.mt.gov> and navigating to TRS On-Line. You may also navigate directly to the TRS On-Line system by pointing your browser to [http://www.trs.mt.gov/trsonline/default\\_jinit.htm](http://www.trs.mt.gov/trsonline/default_jinit.htm).

To utilize this new web reporting capability, you must be using Microsoft Internet Explorer, Version 5.01 or higher. Internet Explorer is freely available from Microsoft's web site at <http://www.microsoft.com>. The latest production version is Version 6.0.x. *(Note: If you use version 6.0 or greater, there is additional software from Microsoft that may need to be installed. Please contact the TRS at (406) 444-3395 or (406) 444-9293 for instructions on the installation of this additional software.)* You must also download and install the J-Initiator software from the Oracle Corporation. You will be prompted to download and install the J-Initiator software the first time you visit the new earnings and contribution reporting system on the TRS web site. Please note that this file is approximately 9.5 Mbytes. The download could take anywhere from just a few seconds to several minutes, depending upon your Internet connection speed. This is a one-time download and installation. The J-Initiator software is also available on CD-ROM by request. Please contact the TRS office at <http://www.trs.mt.gov/contacts/ContactInfo.htm> to obtain the CD-ROM.

The TRS must set up an account for your agency before you will be able to log on to the new web reporting system. Please note that you do not need to have your account established to be able to download and install the J-Initiator software from the Oracle Corporation. Feel free to visit the web site and perform this task before, or while, your account is being activated.

To activate your TRS On-Line account, please fill out the 'Employer Internet Reporting Sign-up Form' available at: <http://www.trs.mt.gov/trsonline/InternetSignUpForm.pdf>. Please fax the properly completed form to the TRS office at (406) 444-2641. Please be sure to provide your E-mail address on the sign-up form. The TRS will notify you when your username and password have been established.

For those agencies that utilize payroll software that produces a disk file, the 'Monthly Earnings and Contribution Report' may be uploaded to the TRS via the TRS On-Line system. Detailed instructions for uploading data to the TRS are outlined later in this section. Once the TRS has processed and validated the uploaded data, the submitting clerk will have an opportunity to fix any discrepancies directly on the web site, or they may fix the data on their own internal payroll software, recreate their report data file, and resubmit the file to the web site. For those districts that are not able to create a disk file (i.e. those that still use the 'Turnaround Billing Report'), their earnings and contribution data may be entered directly on the TRS web site or copied forward from a previous monthly report. The same data checks as described above are performed, with the same corrective actions available to the clerk.





**TEACHERS' RETIREMENT SYSTEM**  
**1500 E. SIXTH AVENUE**  
**PO BOX 200139**  
**HELENA, MONTANA 59620-0139**

**(406) 444-3134**  
**(406) 444-2641 (Fax)**

**Employer Internet Reporting**  
**Sign-up Form**

**TRS Reporting Agency #** \_\_\_\_\_

**TRS Reporting Agency Name** \_\_\_\_\_

Reporting Official's name \_\_\_\_\_  
Last Name First Name Middle Initial

Agency's Federal ID # \_\_\_\_\_  
(Tax ID #)

Reporting Official's phone # (406) \_\_\_\_\_ - \_\_\_\_\_ Ext. \_\_\_\_\_

Reporting Official's E-Mail Address \_\_\_\_\_

**I want to begin reporting for the month of** \_\_\_\_\_

Do you currently use electronic or magnetic (diskette) reporting?

Yes No

If YES, what accounting software are you using? \_\_\_\_\_  
(Foxie Lady, Black Mountain, CSA, UST, etc.)

What Web Browser do you use? \_\_\_\_\_ Version? \_\_\_\_\_  
(Internet Explorer, Netscape, etc.)

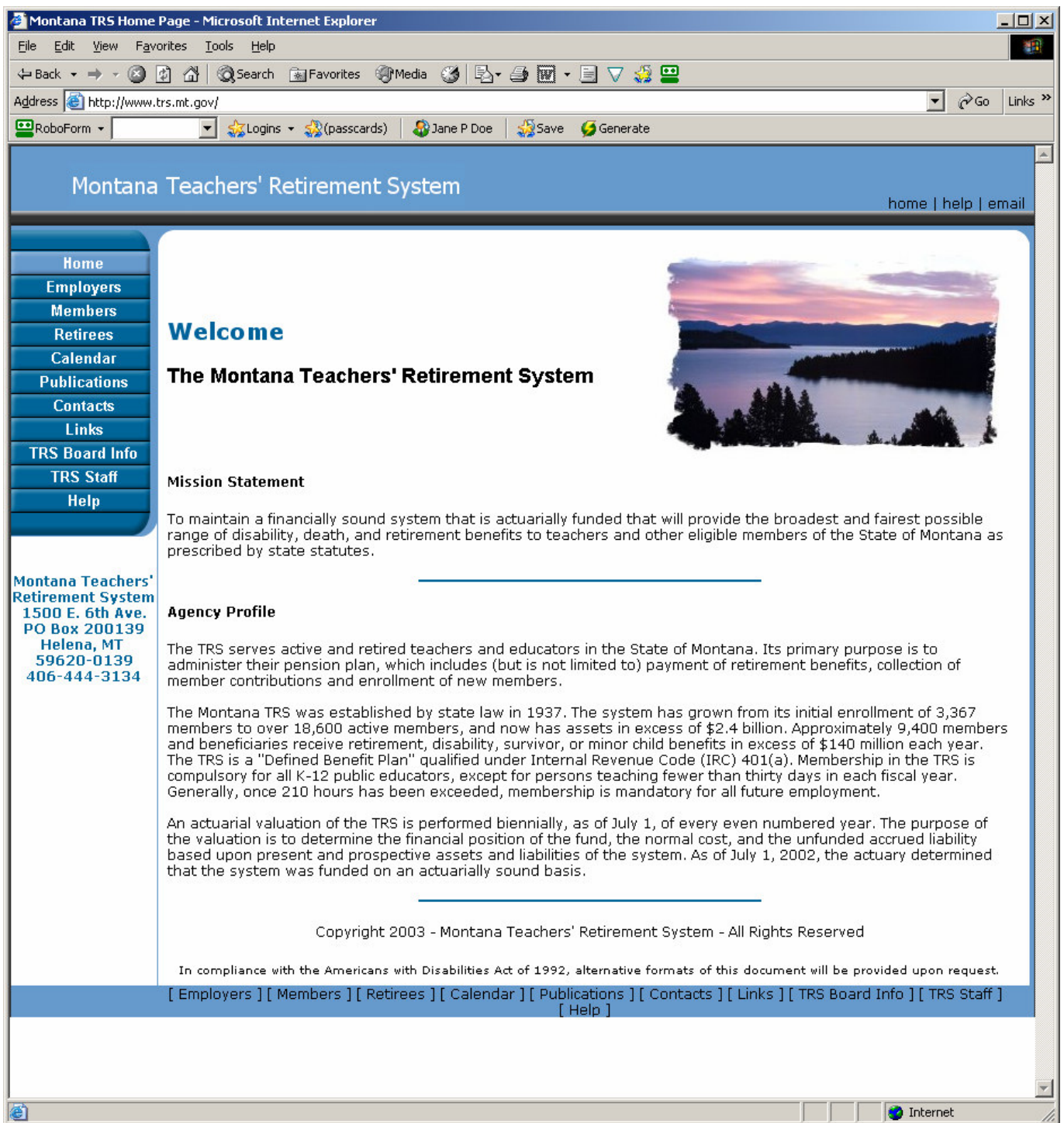
**Authorized Reporting Official's signature** \_\_\_\_\_

**Authorized TRS signature** \_\_\_\_\_

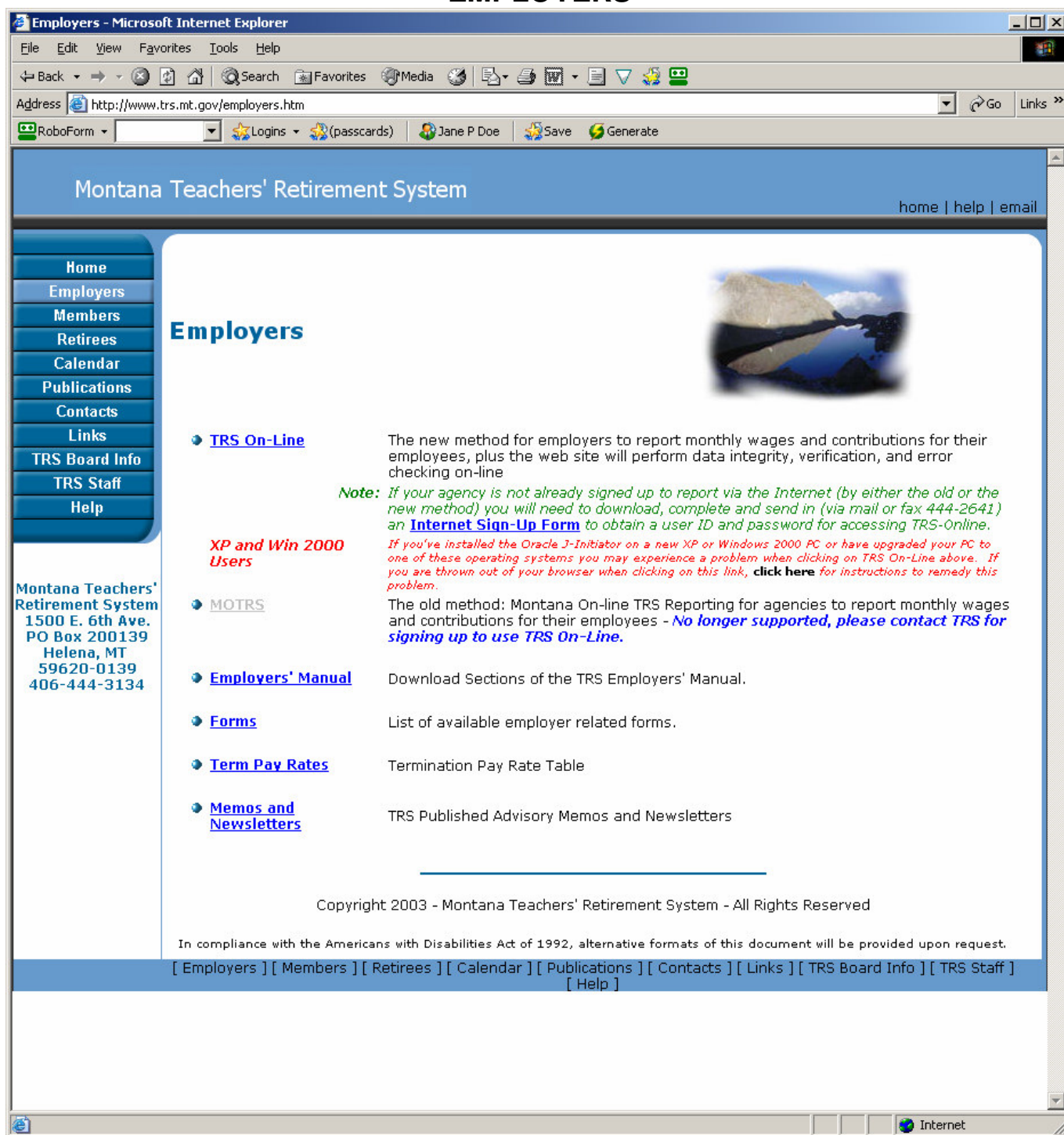
**Today's date is** \_\_\_\_\_

TRS USE ONLY	
Received:	_____
Entered:	_____
Contacted:	_____

# TRS WEB SITE HOME PAGE SCREEN



# TRS WEB SITE EMPLOYERS



Clicking on **TRS On-Line** takes you to the TRS On-Line Monthly Earnings and Contributions Reporting System.

Clicking on **Internet Reporting Sign-up Form** opens an Adobe Acrobat .pdf file containing the 'Employer Internet Reporting Sign-up Form' that is used to request a "Username" and "Password" to access the TRS On-Line system.

## **ON-LINE WEB REPORTING**

Once the TRS has provided your “Username” and “Password”, click on the link “TRS On-Line” to logon to the TRS On-Line Monthly Earnings and Contributions Reporting System.

## CONTRIBUTION EDIT LISTING - CONTRIBUTION SUMMARY, Cont.

After clicking on the **Validate Contributions** button and contributions are ready to be posted, click on **OK**.



Web submissions to the TRS require a hard copy of the 'Contribution Summary' (Contr. Summary) panel be sent to the TRS by the 15<sup>th</sup> of the following month, accompanied by the required employee and employer contributions due the TRS. A copy of the detail information is not required.

To print a hard copy, click on **File** menu, then **Print Screen** and send the printed page along with your payment. Please sign the hard copy of the summary page and underneath your signature; legibly print your name and phone number.

If contributions are NOT ready to be posted (i.e. you will see the following screen after clicking on **Validate Contributions**),



You must fix the errors and validate contributions once again.

**Note:** If the print screen under **File** doesn't work, you can leave the contribution summary tab OPEN, then OPEN up a blank file (WORDPERFECT, MICROSOFT WORD) as if typing a letter. Go back to the contribution tab, then simultaneously press the ALT and PRINT SCREEN keys, then go back to the blank sheet of paper and press the PASTE icon. This should paste the contribution summary tab on the blank sheet of paper. Then press the PRINT icon to print the page.

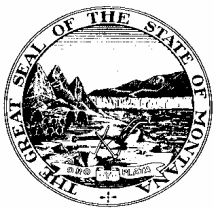
## MONTHLY REPORTING REQUIREMENTS KEY FOR THE 'CONTRIBUTIONS SUMMARY' SCREEN

1.) TRS EMPLOYEES	Displays the total number of TRS Employees reported this month. (Excludes TIAA-CREF members)
2.) TOTAL FTE (FULL TIME EQUIV.)	Displays the total of FTE reported for all full-time and part-time employees. (Excludes working retirees and TIAA-CREF members)
3.) TOTAL FTE HOURS	Displays the total FTE hours reported for all members who are reported on an hourly basis. (Excludes working retirees and TIAA-CREF members)
4.) EARNINGS	Displays the total amount of Earnings of all TRS members listed. (Excludes working retirees and TIAA-CREF members)
5.) ESTIM. REG. CONTR. _____ (EARNINGS x 7.15%)	Displays the Earnings listed above multiplied by 7.15%.
6.) # of Report Periods	Enter the number of monthly reporting periods being submitted (i.e. if reporting Jan and Feb on one report, enter 2).
7.) REGULAR CONTRIBUTIONS (Actual Amount withheld)	Displays the total amount of all TRS member contributions withheld.
8.) ADDT'L (Incl Term Pay)	Displays ONLY the total amount of Additional Contributions withheld from TRS member's earnings for the purpose of purchasing TRS service (Refer to Section 5) and Termination Pay contributions withheld (Refer to Section 6). <b><i>Include a copy of the completed Termination Pay Form.</i></b>
9.) TOTAL MEMBER CONTRIBUTION	Total of lines 7 and 8.
10.) EMPLOYER CONTRIBUTION (Earnings x 7.47%)	Multiply the Earnings on Line 4 by 7.47%. (Excludes working retirees and TIAA-CREF members)
11.) ADD'L EMPLOYER CONTR.	List any additional amounts the Employer is contributing for the purpose of purchasing TRS service (Refer to Section 5). Provide adequate supporting documentation.
12.) EMPLOYER TERM PAY	List the total amount of the Termination Pay contributions due from the employer (Refer to section 6).
13.) TIAA-CREF CONTR. (TIAA-CREF Earnings x 4.04%)	TIAA-CREF earnings times 4.04% Units of the Universities system only.
14.) TOTAL EMPLOYER CONTR	Displays the total of lines 10, 11, 12 and 13
15.) TIAA-CREF EMPLOYEES	University Only – Displays the total number of TIAA-CREF Employees
16.) TIAA-CREF EARNINGS	University only – Displays the total amount of TIAA-CREF Earnings.
17.) TOTAL DUE THIS REPORT	Displays the total of Lines 9 and 14.
18.) REMITTED THIS REPORT	Total of checks enclosed. Must equal line 17 unless you are including an Overage or Shortage from previous months.
19.) REPORT OVER(+)/SHORT(-)	List the difference between line 18 and line 17. This should be adjusted monthly to correct previous overages/shortages.

## MONTHLY REPORTING REQUIREMENTS KEY FOR THE 'ALL CONTRIBUTIONS' DETAIL SCREEN

Each TRS member must be entered with the appropriate fields completed as defined below.

<b>SSN</b>	List the member's verified Social Security Number. (Verify SSN with the new employees Social Security Card when the 'Record for Membership Form' is completed).								
<b>NAME</b>	List the member's name (Last name, First name). All members should be listed alphabetically								
<b>EARNINGS</b>	Compensation earned in the month being reported. Do NOT include termination pay (Refer to Section 6), working retiree (Refer to Section 8) or TIAA-CREF earnings. (Refer to Section 3)								
<b>CURRENT CONTRIBUTION</b>	7.15% (Employee contribution rate) times Earnings, this is the amount withheld from the members Earnings								
<b>SERVICE (FTE)</b>	List the Full Time Equivalence (FTE) for an employee working under contract. 1.00 equals 140 hours, .75 equals 105 hours, $\frac{3}{4}$ FTE .50 equals 70 hours, $\frac{1}{2}$ FTE Do NOT include working retiree or TIAA-CREF service.								
<b>MONTHLY HOURS</b>	List the number of Hours actually worked for an employee working on an hourly or substitute teaching basis.								
<b>ADDITIONAL CONTRIBUTION</b>	List the amount of additional contributions withheld from the member's salary. Do not include termination Pay. (Refer to Section 5)								
<b>MEMBER STATUS</b>	'F' - (Full Time Service) - An individual working full time. 'H' - (Hourly) - An individual being paid on an hourly basis. List the number of hours worked under the MONTHLY HOURS column. 'P' - (Part-time Service) - An individual working less than 1.00 FTE. List the FTE (i.e. .25, .50, etc) worked under the SERVICE (FTE) column. 'W' - Retired Teachers working on a part-time or substitute teacher basis. 'T' - TIAA-CREF (UNIVERSITY SYSTEM ONLY)								
<b>ACTION</b>	<table border="0"> <tr> <td><u>Type</u></td><td><u>Action</u></td></tr> <tr> <td><b>Normal</b></td><td>No Change</td></tr> <tr> <td><b>Add</b></td><td>New Member</td></tr> <tr> <td><b>Terminate</b></td><td>Terminate a member</td></tr> </table>	<u>Type</u>	<u>Action</u>	<b>Normal</b>	No Change	<b>Add</b>	New Member	<b>Terminate</b>	Terminate a member
<u>Type</u>	<u>Action</u>								
<b>Normal</b>	No Change								
<b>Add</b>	New Member								
<b>Terminate</b>	Terminate a member								
<b>TERM PAY CONTRIBUTION</b>	List the amount of the calculated/reportable termination pay <b>contributions</b> withheld from the member's termination pay. (Refer to Section 6)								
<b>OPT</b>	List the termination pay option ("1" or "2") as selected by the member. (Refer to Section 6)								



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**VERIFICATION OF SUBSTITUTE TEACHING OR TEACHERS' AIDE SERVICE**

(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

**Part I – To Be Completed By Member**

Member's Information:

**Joan P Doe**

(Name)

**01-01-48**

(Date of Birth)

1 1 1

1 1

1 1 1 1

(Social Security Number)

**1111 S Freedom Way**

(Home Mailing Address)

**Helena MT 59601**

(City, State & Zip Code)

**(406) 111-2222**

(Area Code & Telephone Number)

**Smith**

(Maiden Name)

*Joan P Doe*

*11-10-04*

(Signature)

(Date)

**Part II – To Be Completed By Certifying Official**

**The information below must be secured from each school district in which the member worked.**

Term of Service During Each Fiscal Year (Fiscal Year - July 1 to June 30)				Total Days or Hours Worked	Daily or Hourly Rate of Pay	Gross Salary Earned
From		To				
Month	Year	Month	Year			
August	1984	June	1985	20	\$40.00	\$800.00
August	1985	June	1986	10	\$45.00	\$450.00
August	1986	June	1987	20	\$45.00	\$900.00

If more space is needed for verification, please attach an additional sheet.

Signature of Certifying Official	Date	Printed Name and Title of Certifying Official
<i>Jane Q Public</i>	<i>11-4-04</i>	Jane Q. Public – Payroll Clerk
Name of Employing Agency (School, District, College, etc)	Employing Agency Mailing Address	
Helena Public Schools	55 S Rodney	
Employing Agency Area Code & Telephone Number	City, State, & Zip Code	
(406) 324-2000	Helena MT 59604	

**NOTE:** After completing this form, please return it to the Montana Teachers' Retirement System at the above address.



## MODEL RESOLUTION

Each TRS employer has the option of making available to their TRS members the opportunity to purchase service credit through payroll deduction with tax-deferred contributions. Before any member would be eligible to purchase service with tax-deferred dollars, the employer must adopt a 'Model Resolution' that has been approved by the IRS. On the date that the resolution is effective, all additional payroll deductions previously being withheld and reported to the TRS must terminate. Each TRS member wishing to purchase service with tax-deferred dollars must request a 'Service Purchase – Irrevocable Election Form' from the TRS and return the signed 'Service Purchase – Irrevocable Election Form' to your business office. Your business office must sign the election form and return the original 'Service Purchase – Irrevocable Election Form' to the TRS.

Once a TRS employer has adopted the 'Model Resolution', a TRS member may no longer purchase service via payroll deduction with taxed dollars. A TRS member who does not execute the "Service Purchase – Irrevocable Election Form" (to purchase service with tax-deferred dollars), may purchase additional service only by personal check.

A TRS employer may only report **one** type of additional contributions on the monthly report, taxed or tax-deferred contributions (with an adopted 'Model Resolution'). Please visit the TRS web site at <http://www.trs.mt.gov> to obtain a copy of the 'Model Resolution' and a complete copy of instructions. If you have questions regarding this process, please contact the TRS at (406) 444-3324 or (406) 444-4113.



**MONTANA TEACHERS' RETIREMENT SYSTEM**  
**1500 East Sixth Avenue PO Box 200139**  
**Helena MT 59620-0139**  
**(406) 444-3134**

**MEMORANDUM**

TO: Joan P Doe  
SSN #: 111-11-1111  
ER #: 250011

FROM: Janet Cooper  
Benefit's Officer

DATE: December 8, 2004

RE: SERVICE PURCHASE - IRREVOCABLE ELECTION FORM

A Montana Teachers' Retirement System (TRS) member, pursuant to 19-20-602(2) MCA, and 19-20-401 et seq MCA, is permitted to redeposit member contributions previously withdrawn and/or elect to purchase additional service credit through additional contributions to the retirement system. Any additional amounts due may generally be paid by the member directly to the retirement system, or the member may request, and the employer may permit, reductions through payroll.

I understand that pursuant to Section 19-20-415 MCA, my employer has adopted a resolution under the "pick-up" tax deferral provisions of the Internal Revenue Code Section 414(h)(2). The tax deferral of my additional contributions due the retirement system requires completion of the irrevocable payroll reduction authorization. (The "pick-up" of additional contributions means the employer will withhold the authorized amount from my gross wages, as tax deferred.)

With respect to this payroll reduction, I understand the following:

- This is an irrevocable reduction authorization.
- The minimum duration of the authorization is three (3) months; the maximum duration is 60 months.
- Contributions picked up by the Employer pursuant to this payroll reduction may adversely affect the maximum I am eligible to contribute to a 403(b) Tax Sheltered Annuity.
- If I am eligible for a 457 deferred compensation plan with my employer, contributions picked up by my employer may adversely affect the maximum I am eligible to contribute to a 457 plan.
- After the execution of this irrevocable reduction authorization, I do not have the option of receiving the reduction amounts directly instead of having them paid by my Employer to TRS.
- These contributions are being picked up by my Employer; and, as a result, although designated as employee contributions, they are being paid directly to TRS in lieu of contributions by me.
- While this agreement is in effect, I understand that (with respect to the redeposit or the specific type of additional service credit being purchased by the contributions designated herein) TRS will only accept payment from my Employer and not directly from me.

- If I terminate employment with my Employer or die prior to completion of the installment payments, this binding, irrevocable payroll reduction authorization shall expire and TRS shall pro-rate the service purchase, subject to the following:
  - In the case of termination, I may make a lump-sum contribution for the balance of the service subject to the limitations of Section 415 of the Internal Revenue Code of 1986.
  - In the case of a death, the payment of the balance may be made by my spouse or from my estate within 60 days of the date of death subject to the limitations of Code Section 415.
- The payroll reduction authorization is not effective until signed by me and an authorized representative of my Employer. The pick-up is only applicable to contributions to the extent the compensation which is reduced for the contribution is limited to compensation earned for services after the effective date of the pick-up.

As of February 2005, it is estimated that your balance will be \$5,045.43. The following table provides the payment options available assuming payments over 12 months per fiscal year. If your employer does not remit contributions on a 12 month basis, or if contributions are not remitted timely, a final adjustment may be necessary to increase or decrease the amount due or to recalculate the amount of service purchased. You must initial one payment option.

NUMBER OF MONTHS	MONTHLY PAYMENT	INITIAL ONE
12	\$433.08	
24	\$222.48	
36	\$152.35	
48	\$117.34	
60	\$96.37	

**I hereby agree to enter into a binding, irrevocable contract directing my Employer to make the reduction, as initialed above, from my salary per month for the purpose of purchasing 1.00 years of leave time service as provided under Section 19-20-403 MCA. This reduction is effective January 1, 2005. The terms of this contract may be modified by the Teachers' Retirement System, to make any adjustment deemed necessary to properly complete the purchase of this service.**

#### SIGNATURES



111-11-1111	12-8-2005
Employee's Signature	Social Security Number      Date

1111 Freedom Way Helena MT 59601

Employee's Mailing Address, City, State, and ZIP

***Authorized Representative***

250011	12-8-2004
Signature of Authorized Representative of Employer	TRS Employer Number      Date

**Authorized Representative**

Name of Authorized Representative (Print or Type)

**Business Officer**

Title of Authorized Representative

55 S Rodney Street, Helena MT 59604

Employer's Mailing Address, City, State, and ZIP

(406) 324-2000

Phone Number of Employer

Distribution:      The employer must send the Original "Service Purchase - Irrevocable Election Form" to TRS  
                          Photocopy Retained by Employer  
                          Photocopy Retained by Employee

## **BONUSES AND INCENTIVES**

If a contract contains any provision or clause providing any type of payment no matter the purpose, timing or amount, as a prelude to retirement, this payment is termination pay. This payment must be made payable at the time of termination and retirement and will be used in the calculation of AFC, if the member elects termination pay, Option 1 or 2.

### **TERMINATION PAY – IRREVOCABLE ELECTION FORM**

Members of the TRS have the option to have their contributions deducted from termination pay on a tax-deferred basis. In other words, the member contributions can be deducted from the termination pay amount and reported to the TRS before Federal and State income taxes are withheld. The termination pay will continue to be subject to Social Security withholding.

If a TRS member elects termination pay Option 1 or 2, the employee must pay the required employee contributions due the TRS and the employer must pay the required employer contributions due the TRS. In other words, the employee cannot pay both the employee and employer contributions due the TRS. (Ref: §19-20-716, MCA.)

In order to qualify for the tax-deferral of contributions, the 'Termination Pay – Irrevocable Election Form' must be executed by the TRS member and the TRS employer at least 90 days prior to the member's termination date. Please visit the TRS web site at <http://www.trs.mt.gov> for the 'Termination Pay – Irrevocable Election Form', and a complete copy of instructions. The 'Termination Pay – Irrevocable Election Form' must be signed by both the TRS member and the TRS employer at least 90 days prior to the member's termination. It is generally assumed that the last day of teaching will be the date of termination. If this assumption is not correct, please notify the TRS of the correct termination date to avoid any unnecessary delay in processing a member's benefit.

If the TRS employee has signed a "Termination Pay - Irrevocable Election Form" and elected termination pay Option 1 or 2, the gross amount of their termination pay will be subject to Social Security withholding, however Federal and Montana State income taxes will not be withheld from the employee contributions deducted from their termination pay and reported to the TRS. The employee may not change their termination pay option election if a valid "Termination Pay – Irrevocable Election Form" has been executed.

If the TRS employee has not signed a "Termination Pay - Irrevocable Election Form" or the 90-day requirement is not satisfied, and elected termination pay Option 1 or 2, the employee contributions due on termination pay will not be tax-deferred and Federal, Montana State, and Social Security taxes must be withheld from the gross amount of termination pay received. You must pay the net amount of the termination pay to the TRS employee and advise the employee that they must remit the TRS employee contributions due the TRS by personal check. In addition, the employee contributions due on termination pay may be limited under IRC Section 415 (c).

The "Termination Pay Form " is to be retained in your office until the TRS employee has been fully terminated, all wages have been paid, and the termination pay amount has been determined. Please attach this "Termination Pay Form" to your monthly report with which you submit the employee and/or employer contributions due the TRS

Termination pay must be paid at the time of termination and retirement to be included in the calculation of benefits. If termination pay is paid to the retiring TRS member within 60 days of termination, it will be considered paid at the time of termination. The TRS employer is responsible for correctly reporting termination pay to the TRS, withholding employee contributions if the 'Termination Pay – Irrevocable Election Form' is in place, and reporting the correct amount on the member's Form W-2. If the employer is withholding the employee's termination pay contributions as tax-deferred, both the employee and employer contributions due the TRS must be remitted with the employer's regular monthly contribution report.



## MONTANA TEACHERS' RETIREMENT SYSTEM

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

### TERMINATION PAY – IRREVOCABLE ELECTION

**TRS Office Use Only**

A Montana Teachers' Retirement System (TRS) member, pursuant to 19-20-716 MCA, is permitted to pay additional employee contributions to the TRS in order to include termination pay in the calculation of their monthly benefit. Pursuant to the provisions of 19-20-716, the employee contribution due the TRS may be deducted from the termination pay and remitted to the TRS on a tax-deferred basis. I understand that tax-deferral of the employee contributions due to the TRS on termination pay requires execution of this irrevocable payroll reduction authorization. If this form is properly executed, the employer is required to pick-up and remit the employee contribution due the TRS from my termination pay. With respect to this reduction, I understand the following:

- This is an irrevocable reduction authorization. The statute governing this option, 19-20-716 MCA, requires that I use **"the total"** termination pay amount available at the time of termination and retirement in the calculation of average final compensation.
- The binding irrevocable election form is not effective until signed by myself, as the TRS member, and an authorized representative of my employer.
- The pick-up is only effective if the irrevocable election form is executed at least **90 days** prior to my final day of employment.
- Contributions due TRS must be deducted from the gross amount of my termination pay, paid at the time of my termination and retirement. Amounts paid prior to termination or months after termination cannot be reported to TRS.
- The contributions picked up by my employer may not exceed the otherwise taxable portion of my termination pay.
- Termination pay does not include payments that are considered deferred compensation. The most common type of deferred compensation is the option to take cash or have the amount payable applied toward future insurance premiums. Even if the member elects to take the cash, it is not reportable as termination pay to the TRS. The employer may be required to offer assurances in this regard.
- After the execution of this Termination Pay – Irrevocable Election Form, I do not have the option of receiving the picked up amounts (employee contributions) directly instead of having them paid by my Employer to TRS.
- Employee contributions deducted from termination pay must be paid from the same source as compensation is paid.
- I understand that employee contributions are being picked up by my employer and must be remitted directly to the TRS in lieu of the employee contributions being paid by me.
- I understand that if employee contributions due exceed the available funds after social security taxes have been deducted from the gross amount of the termination pay, that I will be required to make personal payment of any balance due.
- Any portion of my termination pay that is required to be contributed by my employer to a Voluntary Employee Benefit Association (VEBA) will reduce the maximum amount of termination pay that can be reported to TRS.
- If I die prior to termination of employment, this binding, irrevocable election shall be carried out in accordance with the executed Termination Pay - Irrevocable Election Form. If the termination pay is not payable upon my death, the election is void.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1992  
ALTERNATIVE ACCESSIBLE FORMATS OF THIS DOCUMENT WILL BE PROVIDED UPON REQUEST

TRS Form 129

Rev 10/04



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**TERMINATION PAY - IRREVOCABLE ELECTION FORM**

(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

**Member's Information:**

Joan P Doe

(Name)

01-04-48

(Date of Birth)

1	1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---	---

(Social Security Number)

1111 S Freedom Way

(Home Mailing Address Street or PO Box)

Helena MT 59601

(City, State & Zip Code)

(406) 111-2222

(Area Code & Telephone Number)

I hereby elect to use termination pay in the calculation of average final compensation in compliance with option:

**Initial one option**

<b>OPTION 1</b>	Use the total termination pay in the calculation of the average final compensation. My employer and I shall pay such contributions to the retirement system as are determined by the Retirement Board to adequately compensate the System for the additional retirement benefit.	jpd
<b>OPTION 2</b>	The termination pay is divided by the total number of years of creditable service to determine a yearly amount. The yearly amount of termination pay is then added to each of the three consecutive year's salary used in the calculation of the "Average Final Compensation." My employer and I must pay the normal contribution rates on the termination pay.	

I hereby direct my employer, at the time of my termination and retirement, to deduct from my termination pay paid at the time of termination and retirement the contributions due the Montana Teachers' Retirement System to effectuate my election with regard to the use of termination pay in the calculation of my benefit from the TRS. By signing below I acknowledge that I am entering into an irrevocable contract and understand the terms of both sides of this form.

*Joan P Doe*

(Signature of Applicant)

11-10-04

(Date)

**EMPLOYER SIGNATURE**

Signature of Authorized Representative or Employer <i>Authorized Representative</i>	Date 11-4-04
Name of Employer's Authorized Representative (Print or Type) Authorized Representative	Title of Authorized Representative Business Officer
Name of School District or Unit of the University System Helena Public Schools	TRS Employer Number 250011
Employer's Mailing Address 55 S Rodney . Helena MT 59604	Employer's Telephone Number (406) 324-2000

**Distribution:** Mail Original "Termination Pay – Irrevocable Election Form" to the TRS  
Photocopy Retained by the Employer  
Photocopy Provided to the Employee

## CALCULATION OF TERMINATION PAY CONTRIBUTIONS

### OPTION 1 - EXAMPLE

The member elects to use the gross amount of their termination pay in the calculation of AFC. The calculation of the TRS employee and employer contributions due are based on the member's age and total years of creditable service at the time of their retirement. The member's age is rounded to the nearest whole year. For example, if their age is 48 years, 6 months and 0 days, use the rate for age 48. If their age is 48 years, 6 months and 1 day, use the rates for age 49. (See the 'Termination Pay Contribution Rates' for the contribution rate based on the members' age at the time of their retirement). If the member has selected Option 1, you must contact the TRS for verification of their correct creditable service.

**Example:** A TRS member at age 49 with 28.00 years of service receiving \$5,000.00 in termination pay could increase their benefit \$64.81 per month by electing Option 1. The employee and employer cost would be calculated as follows:

$$\begin{array}{rclclcl} \frac{\$ 5,000.00}{\text{Termination Pay}} & \times & \frac{3.74 \%}{\text{Employee Rate}} & \times & \frac{28.00}{\text{Years of Service}} & = & \frac{\$ 5,236.00}{\text{Employee Cost}} \\ \\ \frac{\$ 5,000.00}{\text{Termination Pay}} & \times & \frac{3.96 \%}{\text{Employer Rate}} & \times & \frac{28.00}{\text{Years of Service}} & = & \frac{\$ 5,544.00}{\text{Employer Cost}} \end{array}$$

### OPTION 2 - EXAMPLE

The member elects to use a yearly amount of termination pay in the calculation of AFC. The employee contribution due the TRS is based on the TRS employee contribution rate in affect at the time of retirement (7.150%). The employer contribution due the TRS is based on the TRS employer rate in effect at the time of calculation (7.470%).

**Example:** A member who has \$5,000.00 in termination pay and 28.00 years of service could increase their monthly benefit by \$6.94 by electing Option 2. This calculation is determined by dividing the termination pay (\$5,000.00) by the member's years of service (28.00), which would add \$178.58 to each of the three salaries used in the calculation of AFC. The TRS member and employer contributions due are calculated as follows:

$$\begin{array}{rclcl} \frac{\$ 5,000.00}{\text{Termination Pay}} & \times & \frac{7.150 \%}{\text{Employee Rate}} & = & \frac{\$ 357.50}{\text{Member Cost}} \\ \\ \frac{\$ 5,000.00}{\text{Termination Pay}} & \times & \frac{7.470 \%}{\text{Employer Rate}} & = & \frac{\$ 373.50}{\text{Employer Cost}} \end{array}$$

### OPTION 3 - EXAMPLE

Selection of this option requires no calculation and no contributions are due from the employee or their employer. Reporting Option 3 may seem inconsequential; however, this protects the employer from later claims that the member was not advised they could have selected an option. It also protects the member in the event additional contributions are withheld. If the member elects Option 3, the TRS member must complete Part 1 of the 'Termination Pay Form' and the employer must complete Part 2 and send the properly completed form to the TRS.



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**TERMINATION PAY**

PLEASE REVIEW INSTRUCTIONS ON REVERSE SIDE  
(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

**I. THE FOLLOWING IS TO BE COMPLETED BY THE EMPLOYEE:**

Joan P Doe 01-01-48

1	1	1
---	---	---

1	1
---	---

1	1	1	1
---	---	---	---

  
(Name) (Date of Birth) (Social Security Number)  
1111 S Freedom St Helena MT 59601 (406) 111-2222  
(Home Mailing Address) (City, State & Zip Code) (Area Code & Telephone Number)

I hereby elect the following termination pay option (Initial only one): **OPTION 1** JPD **OPTION 2** \_\_\_\_\_ **OPTION 3** \_\_\_\_\_

I have signed a "Termination Pay - Irrevocable Election Form", at least 90 days prior to my termination of employment, indicating my desire to remit contributions due on termination pay as tax deferred (Initial only one) YES X NO \_\_\_\_\_

Joan P Doe

11-10-04

**(Signature)**

**(Date)**

**II. THE FOLLOWING MUST BE COMPLETED BY THE EMPLOYER:**

Date of Termination 06-15-05 Termination Pay Amount \$5,000.00

Will employee contributions due on termination pay be remitted as tax-deferred. (Circle Only One) YES or NO

Please verify the following: (Do not include Termination Pay Amount)

Base Contract Amount \$ 35,000 Other Compensation \$ 2,000.00 Explanation: Basketball Coach \$1,500 and Driver's Ed \$500

I certify that the above named individual will receive the following termination payment upon their termination and contributions will be withheld on this amount and reported to the Teachers' Retirement System, if applicable. I understand the member must make personal payment for the employee contributions due if a valid Termination Pay - Irrevocable Election Form has not been signed. I also certify that the termination pay

Authorized Representative

11-04-04

**(Signature)**

**(Date)**

District Clerk

120011

(406) 235-2000

(Printed Name & Title)

(TRS Employer Number)

(Area Code & Telephone Number)

**III. CALCULATION OF CONTRIBUTIONS DUE ON TERMINATION PAY:**

**OPTION 1: (A) EMPLOYEE CONTRIBUTIONS**

Employee's Age at Retirement 49

\$ 5,000.00 X 3.74 % X 28.00 = \$ 5,236.00  
Termination Pay See Termination Pay Contribution Rate Table Creditable Service Contribution Due

Amount of Employee Contributions Due To Be Remitted By Employer - Tax-Deferred \$ 4,600.00

Amount of Employee Contributions Due To Be Remitted by Member - Personal Payment \$ 636.00

**(B) EMPLOYER CONTRIBUTIONS**

\$ 5,000.00 X 3.96 % X 28.00 = \$ 5,544.00  
Termination Pay See Termination Pay Contribution Rate Table Creditable Service Contribution Due

**OPTION 2: (A) EMPLOYEE CONTRIBUTION RATE** 7.150% X \$ \_\_\_\_\_ = \$ \_\_\_\_\_

Amount of Employee Contributions Due To Be Remitted By Employer - Tax-Deferred \$ \_\_\_\_\_

Amount of Employee Contributions Due To Be Remitted By Employee - Personal Payment \$ \_\_\_\_\_

**(B) EMPLOYER CONTRIBUTION RATE** 7.470% X \$ \_\_\_\_\_ = \$ \_\_\_\_\_

The employee and employer contributions due on termination pay **must** be remitted by the 15th of the month following termination. The completed termination pay form **must** accompany the monthly report with which you submit the employee and employer contributions due. If the contributions due are not submitted in a timely manner, interest will be assessed.





**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**TERMINATION PAY**

PLEASE REVIEW INSTRUCTIONS ON REVERSE SIDE  
(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

**I. THE FOLLOWING IS TO BE COMPLETED BY THE EMPLOYEE:**

Joan P Doe

(Name)

01-01-48

(Date of Birth)

1 1 1 1 1 1 1 1

(Social Security Number)

1111 S Freedom St

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

(406) 111-2222

(Area Code & Telephone Number)

I hereby elect the following termination pay option (Initial only one): **OPTION 1** \_\_\_\_\_ **OPTION 2** JPD **OPTION 3** \_\_\_\_\_

I have signed a "Termination Pay - Irrevocable Election Form", at least 90 days prior to my termination of employment, indicating my desire to remit contributions due on termination pay as tax deferred (Initial only one) YES X NO \_\_\_\_\_

Joan P Doe

11-10-04

(Signature)

(Date)

**II. THE FOLLOWING MUST BE COMPLETED BY THE EMPLOYER:**

Date of Termination 06-15-05 Termination Pay Amount \$5,000.00

Will employee contributions due on termination pay be remitted as tax-deferred. (Circle Only One) YES or NO

Please verify the following: (Do not include Termination Pay Amount)

Base Contract Amount \$ 35,000 Other Compensation \$ 2,000.00 Explanation: Basketball Coach \$1,500 and Driver's Ed \$500

I certify that the above named individual will receive the following termination payment upon their termination and contributions will be withheld on this amount and reported to the Teachers' Retirement System, if applicable. I understand the member must make personal payment for the employee contributions due if a valid Termination Pay - Irrevocable Election Form has not been signed. I also certify that the termination pay

Authorized Representative

11-04-04

(Signature)

(Date)

District Clerk

(Printed Name & Title)

120011

(TRS Employer Number)

(406) 235-2000

(Area Code & Telephone Number)

**III. CALCULATION OF CONTRIBUTIONS DUE ON TERMINATION PAY:**

**OPTION 1: (A) EMPLOYEE CONTRIBUTIONS**

Employee's Age at Retirement \_\_\_\_\_

\$ \_\_\_\_\_ X \_\_\_\_\_ % X \_\_\_\_\_ = \$ \_\_\_\_\_  
Termination Pay See Termination Pay Contribution Rate Table Creditable Service Contribution Due

Amount of Employee Contributions Due To Be Remitted By Employer - Tax-Deferred \$ \_\_\_\_\_

Amount of Employee Contributions Due To Be Remitted by Member - Personal Payment \$ \_\_\_\_\_

**(B) EMPLOYER CONTRIBUTIONS**

\$ \_\_\_\_\_ X \_\_\_\_\_ % X \_\_\_\_\_ = \$ \_\_\_\_\_  
Termination Pay See Termination Pay Contribution Rate Table Creditable Service Contribution Due

**OPTION 2: (A) EMPLOYEE CONTRIBUTION RATE** 7.150% X \$ 5.0000.00 = \$ 357.50

Amount of Employee Contributions Due To Be Remitted By Employer - Tax-Deferred \$ \_\_\_\_\_

Amount of Employee Contributions Due To Be Remitted By Employee - Personal Payment \$ \_\_\_\_\_

**(B) EMPLOYER CONTRIBUTION RATE** 7.470% X \$ 5.000.00 = \$ 373.50

The employee and employer contributions due on termination pay **must** be remitted by the 15th of the month following termination. The completed termination pay form **must** accompany the monthly report with which you submit the employee and employer contributions due. If the contributions due are not submitted in a timely manner, interest will be assessed.

## RETIREMENT DATE

The effective date of retirement will normally be the first of the month following a TRS member's date of termination. A TRS member terminating employment before attaining 25 years of service or age 60 may delay receipt of benefits until their 50th birthday (early retirement), or until their 60th birthday (normal retirement), or they may elect any date between the age of 50 and 60.

Eligibility for retirement is dependent on a TRS member terminating **all** employment with their TRS employer(s) and that all payments due upon termination of employment have been paid to them.

## RETIREMENT BENEFITS

A TRS member who is vested and has terminated their TRS covered employment in Montana, may be eligible to apply for retirement benefits. The TRS 'Summary of Information' handbook outlines the retirement application procedure. A 'Request for an Estimate of Benefits' form is available on the TRS web site at <http://www.trs.mt.gov>. The TRS member will contact the employer to verify the estimated termination pay amount. The 'Request for an Estimate of Benefits' form must be properly completed by the member and mailed to the TRS office several months prior to their termination date. Upon receipt of the properly completed form the TRS will provide an 'Estimate of Benefits' to assist the member with pre-retirement planning. The following is an example of a properly completed 'Request for an Estimate of Retirement Benefits' form.



# MONTANA TEACHERS' RETIREMENT SYSTEM

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

## REQUEST FOR AN ESTIMATE OF BENEFITS

(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.)

*Estimates are provided as a service to our members. Please remember this is only an estimate. Your estimated benefit amount will be calculated under all of the options available, as well as the three options available with regard to the use of termination pay.*

**Personal Data :**

Joan P Doe

(Name)

01-01-48

(Date of Birth)

1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---

(Social Security Number)

1111 S Freedom Way

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

(406) 111-2222

(Area Code & Telephone Number)

Female

(Sex M/F)

Smith

(Maiden Name)

YOUR PRIMARY BENEFICIARY'S NAME: John T Doe

YOUR PRIMARY BENEFICIARY'S DATE OF BIRTH: 06-15-44

FINAL YEAR CONTRACT AMOUNT: \$ 56,000.00

OTHER COMPENSATION:\* \$ 500.00

TERMINATION PAY AMOUNT:\*\* \$ 10,000.00

TERMINATION DATE: 06-01-05

RETIREMENT EFFECTIVE DATE:\*\*\* 07-01-05

\* - Other Compensation may include, but is not limited to, summer school, driver's education, coaching, etc.

\*\* - Termination Pay includes any form of lump-sum payment for deferred compensation, sick leave, vacation, or any other payment for time not worked other than compensation received while on sick leave or authorized leave of absence. It can also include earnings which may exceed the ten percent statutory cap.

\*\*\* - Your retirement effective date can be no sooner than the first day of the month following your termination date or last working day.

If your retirement date is not in the current fiscal year, please provide projections of what your three highest consecutive years' salaries will be at the time of retirement:

\$	\$	\$
----	----	----

*Joan P Doe*

*11-10-04*

(Signature)

Montana Teachers' Retirement System  
Employers' Manual

3

(Date)

Section 7  
Revised 10/2004

## DISABILITY RETIREMENT BENEFITS

If a TRS member is experiencing health conditions that make it difficult to perform the primary duties of their position covered under the TRS, they may be eligible for a disability benefit. The TRS member must contact the TRS office to request an estimate of disability benefits available and obtain important information concerning disability retirement eligibility.

## DEATH OF AN ACTIVE MEMBER

If a TRS member dies before retirement, the TRS **must** be notified of the date of the TRS member's death by the member's beneficiary or by the TRS employer. The TRS will contact the respective employer and request verification of the TRS member's current fiscal year salary information be provided on a 'Deceased Active Member Check List' form. Upon receipt of the salary information provided by the employer, the TRS will provide benefit information to the member's beneficiary(s).

For the TRS reporting purposes, a TRS member may only have wages reported to the TRS that were earned through their date of death. Any balance of a contract to be paid by the TRS employer to the member or their beneficiary will be considered termination pay and as such, will be subject to the same statutory requirements. (Ref: §19-20-101 and §19-20-716, MCA) If the member signed a 'Termination Pay – Irrevocable Election Form' and the surviving beneficiary(ies) elects a monthly survivor benefit, the 'Termination Pay – Irrevocable Election Form' will remain in effect for the surviving beneficiary(ies).

Additionally, if the TRS member was purchasing service under a 'Service Purchase – Irrevocable Election Form', the reduction through the date of death will be the final payment the TRS will accept via payroll deduction. The beneficiary(ies) will have the option to purchase any remaining service in a lump sum by personal payment.

The following is an example of a properly completed 'Deceased Active Member Check List' form.

## DECEASED ACTIVE MEMBER CHECK LIST

Member's Name: James Smith SSN: 123-45-6789  
Date of Death: January, 31, 2002 Age: 56  
Notified of Death By: School District No. 5  
Additional Information Received By: District Clerk - Telephone# 442-1730

### SURVIVOR INFORMATION

Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State & Zip Code: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Relationship: \_\_\_\_\_

### SURVIVOR BENEFIT INFORMATION

Effective Date \_\_\_\_\_  
Monthly Benefit \_\_\_\_\_  
W/H Certificate \_\_\_\_\_  
Death Certificate \_\_\_\_\_  
Ins. Deduction \_\_\_\_\_  
EFT Form \_\_\_\_\_

### CHECK LIST

Status Changed \_\_\_\_\_  
Label Changed \_\_\_\_\_  
Birth Certificate \_\_\_\_\_  
Survivor Added \_\_\_\_\_

### MINOR CHILD INFORMATION

Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State & Zip Code: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_

### MINOR CHILD BENEFIT INFORMATION

Effective Date \_\_\_\_\_  
Monthly Benefit \_\_\_\_\_  
Stop Date \_\_\_\_\_  
EFT Form \_\_\_\_\_

### CHECK LIST

Status Changed \_\_\_\_\_  
Birth Certificate \_\_\_\_\_  
Minor Child Added \_\_\_\_\_

### EMPLOYER INFORMATION

**Please complete and fax this form to the TRS at your earliest convenience. The TRS will provide benefit information to the member's beneficiary(ies). Thank you.**

TRS Employer No.: 150051 Payroll Officer/Phone #: Jane Hanson - 442-1730  
Contract Salary for FY: \$40,000 Number of Days in contract: 187  
Total Salary Paid FY: \$21,390 Daily rate of pay: \$213.90  
Termination Pay Amount: \$5,000 Last Day on Paid Status: January 31, 2002  
TPIEF signed by member? Yes No Number of days paid in current FY: 100

TRS Phone # (406) 444-3134

TRS FAX# (406) 444-2641

## INTERNET ACCESS TO THE TRS

General information regarding benefit recipients of the TRS, including commonly used TRS forms, may be obtained by logging on to our website at <http://www.trs.mt.gov>.

## PART-TIME EMPLOYMENT AFTER RETIREMENT EARNINGS

Any retired member of the TRS may be employed in a part-time or substitute position reportable to the TRS and earn, without loss of their retirement benefits, an amount not to exceed the greater of: (1) one-third of the sum of their average final compensation (AFC), plus annual increases equal to the increase in the Consumer Price Index (CPI) in the preceding calendar year(s) since their date of retirement; or (2) one-third of the Median AFC for members retired during the preceding fiscal year as determined by the TRS Board. These earnings are determined on a fiscal year basis.

"Retired member" means a person who has terminated employment that qualified the person for membership under 19-20-302 MCA and who has received at least one monthly retirement benefit paid pursuant to this chapter. (Ref: §19-20-101, MCA.)

The TRS retired payroll staff will determine the maximum amount the TRS retiree can earn without affecting their monthly benefit. Contact the TRS at (406) 444-3185 or (406) 444-3135 to verify this information. If the retiree earns more than the allowable amount or signs a full-time contract with your agency, please contact the TRS immediately.

The TRS retirees are only limited in the amount they may earn if employed in a part-time teaching, administrative, faculty, or any other instructional services position that is reportable to the TRS. (Ref: §19-20-804, MCA.)

TRS retirees who are employed part-time in a position are not required to contribute to the retirement system unless they exceed the amount they are eligible to earn. It is required, however, that retired TRS members working in part-time positions be reported to the TRS on the employer's 'Monthly Contribution Report' for the purpose of tracking earnings after retirement. (See Section 4)

Should a TRS retiree exceed their earnings limitation, their monthly retirement benefit will cease the first of the month in which their earnings for the fiscal year exceeded the maximum allowed. The TRS retiree shall be reinstated to active membership service. The retiree's monthly benefit will not be reinstated until the TRS member terminates their employment.

## MEDIAN AFC HISTORY

-	MEDIAN SALARY	1/3 OF MEDIAN SALARY
1999-00	\$43,945.06	\$14,648.35
2000-01	\$45,528.45	\$15,176.15
2001-02	\$45,304.46	\$15,101.49
2002-03	\$45,290.43	\$15,096.81
2003-04	\$47,942.54	\$15,980.85

## EARNINGS AFTER DISABILITY RETIREMENT

A disabled TRS retiree may return to part-time employment provided their combined disability benefit and earnings do not exceed the greater of their AFC or the Median AFC of those members retired during the preceding fiscal year as determined by the TRS Board. Should their combined earnings and disability benefits exceed the maximum allowable under the law, their disability benefit will be reduced so that a combination of earnings and disability benefits does not exceed the greater of their AFC or the Median AFC of those members who retired during the preceding fiscal year. (Ref: §19-20-904, MCA.)

A disabled TRS retiree's benefits will be canceled if they are employed full-time by a public or private educational institution as an educator, or in any other related capacity identified under the TRS.

## WITHHOLDING GROUP INSURANCE PREMIUMS FROM RETIREMENT BENEFITS

A TRS benefit recipient who continues to participate in the employer's group insurance plan may elect to have their premiums withheld from their monthly TRS benefit. To initiate the withholding of monthly insurance premiums the benefit recipient must contact the payroll clerk or the Human Resource office at the place of their former employment, or the TRS office at (406) 444-3185, for the 'Authorization For Deduction of Health Insurance' form. The health insurance deduction form is also available on the TRS web site at <http://www.trs.mt.gov>.

The TRS employer must provide a properly completed 'Authorization For Deduction of Health Insurance' form to the TRS office. The TRS employer must certify the eligibility of all TRS benefit recipients electing to have insurance premiums withheld from their monthly retirement allowance, and the name of the insurance carrier, the monthly premium amount to be withheld each month and the month the first deduction is to begin. (Ref: ARM 2.44.513)

Monthly insurance premiums must be paid in advance. At commencement of monthly benefits, withholding can only be started on the TRS benefit recipient's second monthly retirement allowance. The TRS benefit recipient must pay the premium between that time and the date of retirement direct to the TRS employing agency.

The TRS employer must submit all subsequent premium rate changes in writing to the TRS. These changes must be noted on a photocopy of the previous month's 'Payroll Insurance Premium Withholding Listing' that is provided by the TRS. Please note the changes in blue or black ink only, and sign and date the request. A faxed copy of a change of premium will not be accepted as permanent documentation by the TRS.

In order to allow the TRS adequate time to initiate the withholding of insurance premiums, or to make subsequent premium rate changes, the TRS must receive notification prior to the 15<sup>th</sup> day of the month. Due to the large number of school districts and the university units involved in this process, and the even larger number of TRS benefit recipients taking advantage of this service, **no** exceptions can be allowed to this deadline.

The TRS has no connection with group insurance plans, but offers this withholding as a service to our benefit recipients. As a result, all insurance related questions will be referred to the payroll office at the school district or the Human Resource office of the university unit. The benefit recipient's annual tax Form 1099-R will note the insurance premiums withheld for each calendar year.

A 'Payroll Insurance Premium Withholding Listing' and a state warrant will be sent directly to you, the employer, on the last business day of each month. At your request, the state warrant that is generated each month by the TRS for insurance premiums can be made payable to either the employer or to the insurance carrier. Regardless of the option elected, the state warrant and the 'Payroll Insurance Premium Withholding Listing' will be sent direct to you. If you have questions or need assistance, contract the TRS at (406) 444-3185.



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**TRS Office Use Only**

**AUTHORIZATION FOR DEDUCTION OF HEALTH INSURANCE**

**(PLEASE TYPE OR PRINT LEGIBLY IN DARK INK)**

Monthly insurance premiums **must** be paid in advance. At commencement of monthly benefits, withholding can only be started on the benefit recipient's **second** monthly retirement allowance. Accordingly, the benefit recipient must pay any premium(s) due, which arises between their date of retirement and their second monthly benefit, directly to the employing agency. All future payments will be made directly through deductions from the Teachers' Retirement System (TRS) monthly retirement allowance.

**BENEFIT RECIPIENT'S INFORMATION:**

Joan P Doe

(Recipient's Name)

01-01-48

(Date of Birth)

1	1	1	1	1	1	1	1
---	---	---	---	---	---	---	---

(Social Security Number)

1111 S Freedom Way

(Home Mailing Address)

Helena MT 59601

(City, State & Zip Code)

(406) 111-2222

(Area Code & Telephone Number)

I hereby authorize deduction of the monthly rate in effect for the coverage I have selected through the employing agency from my monthly retirement allowance. Such deduction is to remain in effect until the employing agency cancels or changes my insurance coverage amount. I also authorize future increases or decreases in the cost of the plan I selected to be automatically deducted without further authorization from me.

Joan P Doe

11-10-04

**(Signature of Benefit Recipient)**

**(Date)**

**NOTICE TO EMPLOYER:** All authorization forms, changes or cancellations must be channeled through you. You **must** provide written notification of changes of the premium amount to both the TRS and the benefit recipient **prior** to the 15th day of the effective month. Upon notification of the benefit recipient's death, you **must** directly reimburse the TRS the gross monthly premium amount withheld.

**TO BE COMPLETED BY THE EMPLOYER:**

Mary K Lewis

Name of Insurance Coordinator

(406) 449-0002

(Area Code & Telephone Number)

Blue Cross Blue Shield of Montana

Name of Insurance Carrier

250011

TRS Employer Number

\$239.70

Monthly Premium Amount

Monthly retirement allowances are paid on the last business day of each month. The first deduction from the monthly retirement allowance is to begin in the month of June 2005, to cover the insurance premium for the month of July 2005.

Mary K Lewis

**(Signature of Insurance Coordinator)**

11-10-04

**(Date)**

**TRS USE ONLY:**



**SECTION 9**  
**EMPLOYER REFUNDS/MEMBER WITHDRAWALS**

**CONTENTS**

OVERPAYMENTS REFUNDED BY THE TRS TO AN EMPLOYER ..... Page 2

OVERPAYMENTS REFUNDED BY THE TRS TO A MEMBER ..... Page 2

A TRS MEMBER WITHDRAWAL..... Page 3

APPLICATION FOR WITHDRAWAL OF MEMBER'S DEPOSITS  
OF CONTRIBUTION & INTEREST ..... Page 4

SPECIAL TAX NOTICE REGARDING PLAN WITHDRAWALS.....Page 8

**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

***TRS Office Use Only***

**APPLICATION FOR WITHDRAWAL OF MEMBER'S  
DEPOSITS OF CONTRIBUTIONS AND INTEREST**

This notice contains important information you will need before you decide how to receive your refund of contributions and interest from the Teachers' Retirement System (TRS). TRS member accounts eligible for withdrawal are available under two payment options:

**Direct Rollover** – Your account balance will be sent directly to your traditional IRA or, if you choose, to another qualified employer plan that accepts your rollover from a public plan qualified under IRC 401(a). Your refund will not be taxed in the current year and no income tax will be withheld. Any contributions on which you have already paid taxes, will be refunded to you with no taxes withheld. Internal Revenue Service (IRS) Form 1099R will be mailed to you within two weeks of processing your direct rollover. Your Plan payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or an education IRA because they are not traditional IRAs.

**Lump Sum Refund** – You may expect your lump sum refund approximately three weeks after TRS receives from your employer their monthly contribution report which is due by the 15<sup>th</sup> of the month following the month your final contributions were withheld. TRS is required to withhold 20% of the taxable amount of your refund to be credited against your Federal income tax liability. This withholding is mandatory. Any contributions on deposit on which you have already paid taxes, will be refunded to you with no taxes withheld. Your refund will be taxable in the year the payment is processed. If you receive the refund payment before age 59½, you may have to pay an additional 10% early distribution penalty tax; however, you may be eligible for exemptions that could reduce the tax you owe. For additional information regarding potential exemptions, please call the IRS at 1-800-829-3676 for your free copy of Publication 575 – Pensions and Annuity Income.

If payment is sent to you and within 60 days of receipt you roll the taxable portion of your distribution into an IRA, the 20% withholding still applies. If you do not replace the 20% withheld with other funds when making your subsequent rollover deposit, that 20% becomes taxable income, thus, will also be subject to the 10% early distribution penalty tax if you are under age 59½.

**Family Law Orders** – A Family Law Order (FLO) may direct that future benefit payments be distributed for child support, indigent parent support, and spousal support, and is enforceable against both Direct Rollovers and Lump Sum Refunds. A FLO may direct payment to an alternate payee as a percentage of the amount paid to a participant.

**COMPLETION OF THE FORM BY REQUESTING A DIRECT ROLLOVER OR A LUMP SUM REFUND:**

**DIRECT ROLLOVER:** Complete Part I – Section A and B.

**LUMP SUM REFUND:** Complete Part I – Section A. Your refund will be sent to the address shown in Part I – Section A - unless we receive a written, signed notice from you with your address change.

**PART I – SECTION C:** To be completed regardless of the method of payment you choose.

**PART II - OPTIONAL 30-DAY WAIVER:** If electing the waiver, you must complete this section whether you are refunding or rolling over your account balance.

**PART III – TO BE COMPLETED BY EMPLOYER:** If you have taught during the current school year or within the past six months.

If you have any questions regarding your refund or on the completion of this form, please call (406) 444-3454 between the hours of 8:00 a.m. and 5:00 p.m. (Mountain Time), Monday through Friday.

**PART I: TO BE COMPLETED BY EMPLOYEE** (ALL INFORMATION MUST BE TYPED OR PRINTED)

**SECTION A**

**DIRECT ROLLOVER OR LUMP SUM REFUND**

Joan Patricia Smith Doe  
First Name Middle Name Maiden Name Last Name

1111 Freedom Way (406) 111-2222  
Mailing Address (Street and/or PO Box) Telephone Number

Helena MT 59601  
City State Zip

Helena Public Schools 07-1-2004 01-01-48 111-11-1111  
School Name Termination Date Birth Date Social Security Number

**SECTION B**

**DIRECT ROLLOVER ONLY TO:**

IRA 77724655555 **OR** Qualified Plan  
Account Number (MANDATORY) Account Number (MANDATORY)

D. A Davidson, Inc.  
Name of Company holding the IRA or Qualified Plan

Great Northern Town Center, 40 West 14<sup>th</sup> Street Artisan Block  
Mailing address (Street and/or PO Box)

Helena MT 59601  
City State Zip

**SECTION C**

**COMPLETION REQUIRED**

I understand withdrawal of my deposits cancels all membership privileges, beneficiary designation(s), service credit, and rights to monthly retirement benefits and disability benefits. I certify that I have terminated my employment and am not seeking, nor have accepted, employment anywhere in Montana in a position covered by the TRS. I further certify that I have terminated my employment without expectation or anticipation of re-employment in a position within Montana covered by the TRS.

Joan P Doe 11-10-04  
Signature of Employee Date



Jeffrey P Jewett  
Signature of Notary

Montana  
Notary Public for the State of

Lewis & Clark  
Residing in County

June 1, 2008  
My Commission Expires

**PART II: TO BE COMPLETED BY THE EMPLOYEE**

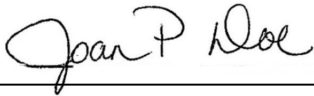
**OPTIONAL 30-DAY WAIVER**

The IRS issued regulations effective January 1, 1993 on the mandatory 20% withholding and direct rollover provisions. Under the IRS regulations, at least 30 days and no more than 90 days notice must be given to participants or beneficiaries before the eligible rollover distribution becomes payable.

Because of this regulation, the TRS is not allowed to process your refund or rollover distribution for at least 30 days from the date the application is received in this office unless the waiver is signed. Applications returned without a signed waiver attached will be held until the end of the 30-day waiting period.

You may wish to consult a tax professional or the IRS if you have any questions concerning these IRS regulations.

*I fully understand my rights as stated above and hereby waive my right to a 30-day notice. I understand withdrawal of my deposits cancels all membership privileges, beneficiary designation(s), service credit, and rights to monthly retirement benefits and disability benefits.*



Signature of Employee

11-10-04

Date

**FOR TRS OFFICE USE ONLY**

Name _____	ER# _____
Status _____	Form sent _____
Membership form _____	Claim # _____
Claim date _____	# of years _____
Refund \$ _____	Rollover \$ _____
Total Distribution \$ _____	

**PART III: TO BE COMPLETED BY THE EMPLOYER**

***Part III – To be completed by your payroll officer IF you were employed in a position covered by the TRS during the current school year or within six months prior to this application.***

Final contributions for Joan P Doe appear on our report for the month of July 2, 20 04, and was sent to the TRS on July 6, 2004.

I certify the above named member has **completely and finally terminated** employment with this agency, has no current employment application on file, and is not anticipated to be reemployed by this agency in a position covered by the TRS. To the best of my knowledge, I further certify the above named member is not on leave of absence from, nor been employed by, any agency in a position covered by the Montana TRS.

Helena Public Schools  
School District

(406) 235-2000  
Telephone Number

John T Public  
Print Name of Payroll Officer

Payroll Officer  
Title

*John T Public*  
Signature of Payroll Officer

Payroll Officer  
Title

In compliance with the American's with Disabilities Act of 1992,  
alternative accessible formats of this document will be provided upon request.



**MONTANA  
TEACHERS' RETIREMENT SYSTEM**

1500 E 6TH AVE  
PO BOX 200139  
HELENA MT 59620-0139  
(406) 444-3134

**SPECIAL TAX NOTICE REGARDING PLAN WITHDRAWALS  
Effective January 1, 2002**

**TRS Office Use Only**

**This notice explains how you can continue to defer federal income tax on your retirement savings in the Teachers' Retirement System (TRS) and contains important information you will need before you decide how to receive your Plan benefits.**

This notice is provided to you by the Teachers' Retirement System because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or TRS to a traditional IRA or an eligible employer plan. A rollover is a payment by you or TRS of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact the Teachers' Retirement System at: PO Box 200139, Helena MT 59620-0139, or (406) 444-3454.

**SUMMARY**

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

- (1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or
- (2) The payment can be PAID TO YOU.
  - If you choose a DIRECT ROLLOVER:
  - Your payment will not be taxed in the current year and no income tax will be withheld.
  - You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan, which accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
  - The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the TRS is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

**Your Right to Waive the 30-Day Notice Period.** Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the TRS.

#### **MORE INFORMATION**

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER-----	[2]
II. DIRECT ROLLOVER-----	[3]
III. PAYMENT PAID TO YOU-----	[4]
IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES-----	[5]

#### **I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER**

Payments from the Plan may be “eligible rollover distributions.” This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. TRS will be able to tell you what portion of your payment is an eligible rollover distribution.

**After-tax Contributions.** If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

- a) Rollover into a Traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. TRS should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

- b) Rollover into an Employer Plan. You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You CANNOT roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the TRS to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments cannot be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own 5% or more of your employer.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded, cannot be rolled over.

The TRS will be able to tell you if your payment includes amounts, which cannot be rolled over.

## **II. DIRECT ROLLOVER**

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200.

DIRECT ROLLOVER to a Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER to a new eligible employer Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of your new employer plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of your new employer plan before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59½" and "Special Tax Treatment if You Were Born before January 1, 1936."



### III. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

#### Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the TRS is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the TRS must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from TRS.

You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the TRS for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan, that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

Additional 10% Tax If You Are under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

**The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.**

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance from the TRS (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer. For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the TRS before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity.

Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

#### **IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the TRS results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

#### **HOW TO OBTAIN ADDITIONAL INFORMATION**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from the TRS. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.